

FAU FINANCE CORPORATION
BOARD OF DIRECTORS MEETING
Wednesday, March 31, 2010
VP-Financial Affairs Office – Room 345, Boca Raton Campus

MINUTES

(Approved during the May 7, 2010 FAUFC Board of Directors meeting.)

1. **CALL TO ORDER/ROLL CALL.** The meeting of the FAU Finance Corporation (FAUFC) was convened by Chairman Mr. Dennis Crudele at 3:00 p.m. Roll call commenced, confirming quorum, with the following board members in addition to Mr. Crudele, present:

Mr. Scott Adams (by teleconference) and Mr. Peter LoBello (by teleconference).

The following University officials were in attendance:

Ms. Stacey Semmel, Ms. Audra Lazarus and Ms. Linda Elliott.

2. **APPROVAL OF MINUTES OF THE JANUARY 14, 2010 MEETING.**
Handout: Revised Draft Minutes of the January 14, 2010 FAUFC meeting.
3. **APPROVAL OF MINUTES OF THE FEBRUARY 3, 2010 MEETING.**
Handout: Draft Minutes of the February 3, 2010 FAUFC meeting.

Mr. Crudele advised that these minutes, once approved, would be incorporated in documents being filed to have the FAUFC designated and a 501(c)3 organization.

A motion was made by Mr. LoBello and seconded by Mr. Adams to approve the minutes of the January 14, 2010 and February 3, 2010 meetings without change or correction. **The motion passed unanimously.**

4. **DISCUSSION OF INNOVATION VILLAGE PROJECT.** Mr. Crudele provided updates on the Innovation Village Project including the closure of the housing bond issuance on March 3, 2010; the commencement of housing project construction; the fine tuning in progress to ensure payment processes work effectively; and, the initiation of FAUFC sales tax exemption plans.

Providing more details on the exemption issue, Ms. Lazarus informed members that a window of opportunity exists upon filing Articles of Incorporation to request tax exemption status with the Internal Revenue Service (IRS). In collaboration with Ken Artin, bond counsel, Form 1023, Application for Recognition of Exemption, is being completed for submission to the IRS. This form provides comprehensive information about the corporation including organizational structure, personnel and compensation issues, financial data, etc. Receipt of the certificate of tax exempt status under 501(c)3 of the tax code will follow. This certificate will allow the FAUFC to obtain sales tax exemption and other favorable treatments per provisions of this tax code designation.

Upon query, Board members were advised that their names were included on Form 1023 where directors and officers are required to be listed; the executed Conflict of Interest forms were also submitted as supporting documentation.

Further explanation was provided on the previously mentioned sales tax issue, noting a program known as the Owner/Contractor Program which provides sales tax relief on purchases of construction materials and equipment. With the tax exemption/non-profit status provided by the 501(c)3 designation, the FAUFC will participate in this program to realize significant tax savings on the purchase of construction materials and equipment.

Mr. Crudele informed members that in the near future, FAUFC Board meetings will be scheduled related to the Stadium Project financing. The Invitation to Negotiate process is currently in progress, so specific public discussions on the issues are prohibited, but the matter is going forward. Customary procedures will be followed with first FAUFC, then FAU Board of Trustees and lastly, the Division of Bond Finance (DBF) and BOG approvals being obtained.

With much prior groundwork having been laid with the DBF and the BOG, more limited discourse is expected on the Stadium project. A BOG Workshop is being held in May the he and Mr. Kian will attend to complete the functional relationship test. It is anticipated that the Stadium Project financing plan will be presented for approval at the June 16 BOG meeting.

Additional conversation centered on discussions and opinions of President-elect Saunders. Mr. Crudele noted that Dr. Saunders has not been directly consulted on the project as employment negotiations are still on-going. Members were advised that her start date is likely to be in June. Nevertheless, she is aware of the direction being taken and has stated her belief that an on-campus stadium with the size being proposed is appropriate for FAU.

5. ADJOURNMENT.

With no other business to discuss, a motion was made by Mr. Adams and seconded by Mr. LoBello to adjourn the meeting. **The meeting was adjourned at 3:10 p.m.**