

A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE FLORIDA ATLANTIC UNIVERSITY BOARD OF TRUSTEES TO APPROVE THE ISSUANCE OF SUCH DEBT TO FINANCE THE CONSTRUCTION OF CERTAIN STUDENT HOUSING FACILITIES ON THE CAMPUS OF FLORIDA ATLANTIC UNIVERSITY; PROVIDING FOR A REPEALER CLAUSE; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FAU FINANCE CORPORATION:

Section 1. The Board of Directors (the "Board of Directors") of The FAU Finance Corporation (the "DSO") established by The Florida Atlantic University Board of Trustees (the "Board of Trustees") of Florida Atlantic University (the "University") hereby authorizes the issuance of debt by the DSO and requests the Board of Trustees to approve the issuance of debt in an amount not exceeding \$50,000,000 (the "Debt") for the purpose of financing the construction of certain student housing and related facilities (the "Project") on the Boca Raton campus of the University.

Section 2. The Project will consist of the construction of a 614 bed freshman student housing facility comprised of one building containing approximately 190,000 total square feet located on the campus of the University in Boca Raton, Florida. The seven or eight- story building will contain 50 double-double suites housing 200 students, 100 four single bedroom suites housing 400 students, 14 single bedroom/single bath units for Resident Assistants and a food services area. The Project is reflected on the approved master plan for the University and is consistent with the mission of the University because it will provide needed student housing facilities. Construction of the Project is expected to begin between April and June of 2012 and to be completed by August of 2013. Proceeds of the Debt are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to section 1010.62(7)(a), Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

Section 3. The Debt will be issued pursuant to a Trust Indenture (the "2012 Indenture") to be entered into between the DSO and a corporate trustee. The Debt will be secured by a trust estate created under the 2012 Indenture which includes a lien on (i) Pledged Revenues as defined in the 2012 Indenture to include the gross income and revenues of the Project, net of amounts needed to pay Operating Expenses, and (ii) amounts transferred from the Surplus Fund established under the Trust Indenture dated as of March 1, 2010, by and between the DSO and U.S. Bank National Association (the "2010 Indenture") pursuant to which the DSO's Capital Improvement Revenue Bonds (Innovation Village Project), Series 2010 (the "2010 Bonds") were issued. The University is committed to ensuring that sufficient revenues will be generated to fulfill the University's obligations with respect to the Debt. The University is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes.

The lien on the Pledged Revenues from the Project to be granted to the holders of the Debt will be a first lien. In addition, surplus revenues transferred from the Surplus Fund of the 2010 Indenture to the 2012 Indenture will also be pledged as further security for the repayment of the Debt. Amounts available to be transferred out of the Surplus Fund of the 2010 Indenture represent excess funds after payment of all obligations related to the University's Housing Revenue Bonds issued through the Division of Bond Finance (the "University Housing Bonds") and the DSO's 2010 Bonds. The 2010 Bonds were initially issued by the DSO in two series. The Capital Improvement Revenue Bonds (Innovation Village Project), Series 2010A are currently outstanding in the aggregate principal amount of \$120,930,000, and the DSO's outstanding Capital Improvement Revenue Bonds (Innovation Village Project), Series 2010B are currently outstanding in the aggregate principal amount of \$3,365,000. The University Housing Bonds are currently outstanding in the aggregate principal amount of \$71,131,373.

Section 4. The Debt will mature not more than 30 years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 40 years, which is beyond the anticipated final maturity of the Debt. The Debt will bear interest at a fixed interest rate.

Section 5. The Debt, which consists of Student Housing Revenue Bonds, Series 2012 (the "Bonds") will be sold through negotiated sale. A negotiated sale is necessary due to the fact that the structure is unique and requires additional marketing as well as volatility of the tax exempt bond market. The underwriter was selected as part of a competitive process in February 2012. An analysis showing that a negotiated sale is desirable is attached in Appendix A.

Section 6. The Board of Directors will comply, and will require the DSO to comply, with all requirements of federal and state law relating to the Debt, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Bonds issued as tax exempt obligations, and continuing secondary market disclosure of information regarding the Bonds.

Section 7. The DSO will comply with the Debt Management Guidelines and the debt management policy of the University.

Section 8. The Chairperson or Vice Chairperson, Executive Director and Secretary or other authorized officer, and other authorized representatives of the Board of Directors and the DSO are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Debt.

Section 9. In making the determination to finance the Project, the Board of Directors has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the Debt Management Guidelines, the University's debt management policy, and applicable law.

Section 10. This Resolution is intended to supersede the resolution adopted by the Board of Directors on March 14, 2012, and to supersede any other existing resolution of the Board of Directors to the extent such existing resolution is inconsistent with this Resolution.

Section 110. This Resolution shall take effect immediately upon its adoption.

Adopted this 12th_____ day of June_____, 2012.

Appendix A

The following documents have been reviewed by the Board of Directors prior to the execution of this Resolution:

- a. the project program, feasibility study, or consultant report; (SEE TAB 3 OF THIS SUBMISSION)
- b. a draw schedule for the project; (SEE TAB 5 OF THIS SUBMISSION)
- c. sources and uses of funds for the project; (SEE TAB 6 OF THIS SUBMISSION)
- d. an estimated debt service schedule; (SEE TAB 7 OF THIS SUBMISSION)
- e. a description of the security supporting repayment and the lien position the debt will have on that security; (SEE TAB 9 OF THIS SUBMISSION)
- f. a five year history, if available, and a five year projection, of the pledged revenues and the debt service coverage; (SEE TAB 12 OF THIS SUBMISSION)
- g. any negotiated sale analysis. (SEE TAB 18 OF THIS SUBMISSION)