

RESOLUTION

A RESOLUTION OF THE FAU FINANCE CORPORATION APPROVING THE FINANCING OF CERTAIN STUDENT HOUSING FACILITIES LOCATED ON THE BOCA RATON CAMPUS OF FLORIDA ATLANTIC UNIVERSITY AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST INDENTURE PURSUANT TO WHICH THE FAU FINANCE CORPORATION'S CAPITAL IMPROVEMENT REVENUE BONDS (STUDENT HOUSING PROJECT), SERIES 2012A ARE TO BE ISSUED IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000; DELEGATING TO THE CHAIRPERSON OR THE EXECUTIVE DIRECTOR THE AUTHORITY TO EXECUTE AND DELIVER A BOND PURCHASE AGREEMENT RELATING TO THE DELEGATED NEGOTIATED SALE OF SUCH SERIES 2012A BONDS IN ACCORDANCE WITH THE PARAMETERS SET FORTH HEREIN AND INCLUDING AUTHORIZING THE DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2012A BONDS AND DELEGATING THE AUTHORITY TO DEEM SUCH DOCUMENT FINAL; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; DELEGATING TO THE CHAIRPERSON OR THE EXECUTIVE DIRECTOR THE AUTHORITY TO EXECUTE AND DELIVER A FIRST AMENDMENT TO GROUND SUBLEASE AGREEMENT, AN AMENDED & RESTATED MANAGEMENT AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING; AND CERTAIN OTHER RELATED DOCUMENTS; APPOINTING THE UNDERWRITER, AND THE TRUSTEE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The FAU Finance Corporation (the "Finance Corporation") desires to finance the acquisition, construction and installation of a new student housing facility which includes approximately 190,000 square feet and approximately 614 beds which will be located on the campus of the Florida Atlantic University (the "University") in Boca Raton, Florida together with the costs of related infrastructure (the "Project"); and

WHEREAS, the Finance Corporation has heretofore determined that the most appropriate way of financing the Project is to issue its Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A in an aggregate principal amount not to exceed \$50,000,000 pursuant to the terms of a Trust Indenture by and between the Finance Corporation and U.S. Bank National Association, as trustee (the "Trustee"); and

NOW, THEREFORE, BE IT RESOLVED BY THE FAU FINANCE CORPORATION:

SECTION 1. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires. Words importing singular

number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Capitalized terms not otherwise defined herein shall have the meaning as set forth in the Trust Indenture.

“Act” means Chapter 617, Section 1004.28 and Section 1010.62, Florida Statutes, and other applicable provisions of law.

“Amended & Restated Management Agreement” means the Amended & Restated Management Agreement among the Finance Corporation, the University and Capstone.

“Board of Trustees” means the Florida Atlantic University Board of Trustees as the governing board of the University.

“Bond Purchase Agreement” means the Purchase Agreement to be executed between the Underwriter and the Finance Corporation in accordance with the terms hereof.

“Bonds” mean the Series 2012A Bonds.

“Capstone” means C-BB Management, LLC, a Florida limited liability company and its successors and assigns

“Chairperson” means the Chairperson of the Finance Corporation and, in the Chairperson’s absence or unavailability, either Scott Adams or Peter Lobello, in their respective capacity as members of the Board of Directors.

“Executive Director” means the Executive Director of the Finance Corporation.

“Financial Advisor” means Dunlap & Associates, Inc.

“Finance Corporation” means The FAU Finance Corporation and its successors and assigns.

“First Amendment to Ground Sublease Agreement” means the First Amendment to Ground Sublease Agreement by and between the Finance Corporation, as ground sublessee, and the University, as ground sublessor, as the same may be amended from time to time.

“Preliminary Official Statement” means the Preliminary Official Statement to be used by the Underwriters in connection with the marketing of the Series 2012A Bonds.

“Project” means the acquisition, construction and installation of a new student housing facility which includes approximately 190,000 square feet and approximately 614 beds located on the campus of the Florida Atlantic University (the “University”) in Boca Raton, Florida together with costs of capital infrastructure related to the housing facility and other components of the University’s project.

“Secretary” means the Secretary of the Finance Corporation and, in the Secretary’s absence or unavailability, any other member of the Board of Directors or officer of the Finance Corporation.

“Series 2012A Bonds” means the Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A.

“Trust Indenture” means the Trust Indenture between the Finance Corporation and the Trustee.

“Trustee” means U.S. Bank National Association and its successors and assigns.

“Underwriter” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“University” means Florida Atlantic University.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is enacted pursuant to the provisions of the Act and other applicable provisions of law.

SECTION 3. FINDINGS. It is hereby found and determined that:

(A) It is the desire of the Board of Trustees and the Finance Corporation to finance the Project in accordance with the terms of the Act and the Trust Indenture.

(B) The Finance Corporation is authorized and empowered by the Act to enter into transactions such as that contemplated by this Resolution and the Trust Indenture and to fully perform its obligations thereunder in order to finance the Project.

(C) 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 necessary student facilities and enhance student life overall at the University.

(D) The Project will be managed by the University and Capstone pursuant to the terms and provisions of the Amended & Restated Management Agreement and will constitute a part of the Property (as defined in the Amended & Restated Management Agreement).

(E) The Bonds are to be secured by "Pledged Revenues" which is defined in the Trust Indenture to mean (i) the System Revenues net of amounts needed to pay Operating Expenses, (ii) Excess Housing Revenues, (iii) moneys on deposit in the funds and accounts established hereunder and investment earnings thereon, but excluding moneys on deposit in the 2012 Rebate Account and the Cost of Issuance Fund, and (iv) with respect to any Series of Bonds designated as Direct Subsidy Bonds, the Direct Pay Subsidies, if any, received with respect to that particular Series of Bonds.

(F) Due to the present volatility of the market for obligations such as the Bonds and the complexity of the transactions relating to the sale of the Bonds it is in the best interest of the Finance Corporation that the Bonds be sold pursuant to a delegated negotiated sale in accordance with the terms hereof, allowing market entry at the most advantageous time, rather than at a specified advertised date, thereby obtaining the best possible price and interest rate for the Bonds.

(G) The Finance Corporation has been advised by its Financial Advisor as to the market appropriateness of preparing for the purchase proposal of the Underwriter in light of current market levels and conditions and as to the acceptance of the Bond Purchase Agreement pursuant to a delegated negotiated sale subject to the conditions provided herein.

(H) The Bonds shall be secured solely as provided in the Trust Indenture, it being understood that the Bonds shall not be or constitute a general obligation of the Finance Corporation, the University, the Board of Trustees or the State of Florida, or any other political subdivision or agency thereof, a pledge of the faith and credit of any of them, or a lien upon any property of any of them.

SECTION 4. AUTHORIZATION OF FINANCING OF THE PROJECT. The Finance Corporation hereby authorizes the financing of the Project in accordance with the terms of the Trust Indenture.

SECTION 5. APPROVAL OF TRUST INDENTURE. The Finance Corporation hereby authorizes and directs the Chairperson or the Executive Director to execute the Trust Indenture, and the Secretary to attest the same under the seal of the Finance Corporation, and to deliver the Trust Indenture to the Trustee for execution. The Trust Indenture shall be in substantially the form attached hereto as **Exhibit A**, with such changes, amendments, modifications, omissions and additions as may be approved by such Chairperson or Executive Director and in any event, including those changes necessary to reflect the terms and details of the Bonds. Execution by the Chairperson or the Executive Director of the Trust Indenture shall be deemed to be conclusive evidence of approval of such changes.

SECTION 6. APPROVAL OF DELEGATED SALE; EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENT. Subject to full satisfaction of the conditions set forth in this Section, the Finance Corporation hereby authorizes a delegated negotiated sale of the Series 2012A Bonds to the Underwriter in accordance with the terms of the Bond Purchase Agreement to be dated the date of sale and to be substantially in the respective form attached hereto as **Exhibit B**, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Chairperson or the Executive Director in accordance with the provisions of this Section, the execution thereof being deemed conclusive evidence of the approval of such changes and full satisfaction of the conditions set forth in this Section.

The Bond Purchase Agreement shall not be executed by the Chairperson or the Executive Director until such time as the Chairperson or the Executive Director has received a written offer to purchase the Series 2012A Bonds by the Underwriter substantially in the form of the Bond Purchase Agreement said offer to provide for, among other things, (i) the issuance of not exceeding \$50,000,000 initial aggregate principal amount of Series 2012A Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of 0.00344% of the par amount of the Series 2012A Bonds, (iii) the maturities of the Bonds no later than October 1, 2043, (iv) a true interest cost on the Series 2012A Bonds not in excess of 4.75% per annum, and receipt by the Chairperson or the Executive Director from the Underwriter of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes.

SECTION 7. APPROVAL OF FIRST AMENDMENT TO GROUND SUBLEASE AGREEMENT. The Corporation hereby authorizes and directs the Chairperson or the Executive Director to execute the First Amendment to Ground Sublease Agreement, and the Secretary to attest the same under the seal of the Finance Corporation and to deliver the First Amendment to Ground Sublease Agreement to the University for execution. The First Amendment to Ground Sublease Agreement shall be in substantially the form attached hereto as **Exhibit C**, with such changes, amendments, modifications, omissions and additions as may be approved by said Chairperson or Executive Director. Execution by the Chairperson or Executive Director of the First Amendment to Ground Sublease Agreement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 8. APPROVAL OF AMENDED & RESTATED MANAGEMENT AGREEMENT. The Finance Corporation hereby authorizes and directs the Chairperson or Executive Director to execute the Amended & Restated Management Agreement, and the Secretary to attest the same under the seal of the Finance Corporation and to deliver the Amended & Restated Management Agreement to the University and Capstone for their execution. The Amended & Restated Management Agreement shall be in substantially the form attached hereto as **Exhibit D**, with such changes, amendments, modifications, omissions and additions as may be approved by the Chairperson or the Executive Director. The authorization to enter into the Amended & Restated Management Agreement includes the approval of Capstone or an entity affiliated with Capstone which has been approved by the Finance Corporation. Execution by the Chairperson or the Executive Director of the Amended & Restated Management Agreement shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions and additions and the approval of an entity affiliated with Capstone as a party to such agreement, if an entity other than Capstone is the third party.

SECTION 9. BOOK-ENTRY. The Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Bonds shall be registered in the name of Cede & Co., all

payments of interest on the Bonds shall be made by the Trustee by check or draft or by bank wire transfer to Cede & Co., as Registered Owner of the Bonds.

SECTION 10. APPROVAL OF CONTINUING DISCLOSURE UNDERTAKING.

The Finance Corporation hereby authorizes and directs the Chairperson or the Executive Director to execute the Continuing Disclosure Undertaking and to deliver the Continuing Disclosure Undertaking to the Underwriter. The Continuing Disclosure Undertaking shall be in substantially in the form attached hereto as **Exhibit E**, with such changes, amendments, modifications, omissions and additions as may be approved by the Chairperson or the Executive Director. Execution by the Chairperson or the Executive Director of the Continuing Disclosure Undertaking shall be deemed to be conclusive evidence of approval of such changes.

SECTION 11. PRELIMINARY OFFICIAL STATEMENT. The use and distribution of a Preliminary Official Statement in substantially the form attached hereto as **Appendix F** by the Underwriter for the purpose of offering the Series 2012A Bonds for sale is hereby authorized and ratified. The Chairperson or the Executive Director is hereby authorized to deem such document final and deliver a "deemed final" certificate with respect to the Preliminary Official Statement in accordance with the provisions of SEC Rule 15(c)2-12.

SECTION 12. OFFICIAL STATEMENT. The form, terms and provisions of the final Official Statement relating to the Series 2012A Bonds, shall be substantially as set forth in the Preliminary Official Statement. The Chairperson or the Executive Director is hereby authorized and directed to execute and deliver said Official Statement in the name and on behalf of the Finance Corporation, and thereupon to cause such Official Statement to be delivered to the Underwriter within seven business days of the date of acceptance of the Bond Purchase Agreement with such changes, amendments, modifications, omissions and additions as may be approved by said Chairperson or Executive Director. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Chairperson or the Executive Director, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2012A Bonds to the public. Execution by the Chairperson or the Executive Director of the Official Statement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 13. APPOINTMENT OF TRUSTEE AND UNDERWRITER. U.S. Bank National Association is hereby designated as Trustee under the Trust Indenture.

SECTION 14. GENERAL AUTHORITY. The members of the Finance Corporation's board of directors, the Chairperson, the Executive Director, and the officers, and other agents of the Finance Corporation (including, without limitation, the Finance Corporation's attorneys) are hereby authorized to do all acts and things required of them by this Resolution, the Official Statement the Bond Purchase Agreement, or desirable or consistent with the requirements of this Resolution, the Trust Indenture, the Continuing Disclosure Undertaking, the First Amendment to Ground Sublease Agreement, the Amended &

Restated Management Agreement, or the Bond Purchase Agreement, and any related agreements such as security agreements or collateral assignment agreements, for the full punctual and complete performance of all the terms, covenants and agreements contained herein or therein, and each member, attorney and officer of the Finance Corporation and the Chairperson or the Executive Director are hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 15. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

SECTION 16. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 12th day of June, 2012.

THE FAU FINANCE CORPORATION

(SEAL)

By: _____
Chairperson

ATTEST:

Secretary

EXHIBIT A

FORM OF TRUST INDENTURE

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT C

FORM OF FIRST AMENDMENT TO GROUND SUBLEASE AGREEMENT

EXHIBIT D

FORM OF AMENDED & RESTATED MANAGEMENT AGREEMENT

EXHIBIT E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

EXHIBIT F

FORM OF PRELIMINARY OFFICIAL STATEMENT