

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Agreement") dated as of _____ 1, 2012, is executed and delivered by the Florida Atlantic University Board of Trustees (the "University"), the University (the "Dissemination Agent"), and The FAU Finance Corporation (the "Issuer"), in connection with the issuance by the Issuer of its \$_____ Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A (the "Bonds"). The Bonds are being issued pursuant to the Indenture described below.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Agreement is being executed and delivered by the University, the Dissemination Agent and the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Agreement.

"Beneficial Owner" shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Trustee" shall mean U.S. Bank National Association, as trustee under the Indenture.

"Disclosure Representative" shall mean such person or persons as the Issuer or the University shall designate in writing to the Dissemination Agent and the Bond Trustee from time to time.

"Dissemination Agent" shall mean, initially, the University, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent designated in writing by the Issuer and which has filed with the Bond Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Fiscal Year" shall mean the period commencing on July 1 and ending on June 30 of the next succeeding year, or such other period of time provided by applicable law.

"Indenture" shall mean the Trust Indenture dated as of _____ 1, 2012, by and between the Issuer and the Bond Trustee, as amended and supplemented from time to time.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the Securities and Exchange Commission may be found by visiting the Securities and Exchange Commission's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access ("EMMA") web portal at "http://emma.msrb.org."

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" means the State of Florida.

"Underwriter" shall mean Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the Underwriter of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than 120 days after the end of each Fiscal Year, commencing with the report for the Fiscal Year ending June 30, 2012, to EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement. If the Fiscal Year of the University changes, the Issuer shall notify the Dissemination Agent and the Bond Trustee in writing of such change and, upon receipt of such notice, the Dissemination Agent will notify EMMA in writing of such change.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Reports to EMMA, the Issuer shall provide the Annual Report to the Dissemination Agent. If, by such date, the Dissemination Agent has not received a copy of an Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with subsection (a) above.

(c) If the Issuer determines to provide the Annual Report directly to EMMA, it shall provide the Dissemination Agent with written notice of such determination prior to the date specified in subsection (a) above for filing the Annual Report. If the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a) above, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A, with a copy to the Issuer and the University.

(d) The Dissemination Agent shall, if and to the extent the Issuer has provided the Annual Report to the Dissemination Agent, file a report with the Bond Trustee (if the Dissemination Agent is not the Bond Trustee) certifying that the Annual Report has been provided pursuant to this Agreement and stating the date it was provided.

SECTION 4. Content of Annual Report. The Annual Report of the Issuer shall contain or include by reference the following information:

(a) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements, and the audited financial statements of the Issuer shall be filed in the same manner as the Annual Report when they become available.

(b) Financial and statistical information for the preceding Fiscal Year of the type of information included under the headings "**FLORIDA ATLANTIC UNIVERSITY**" and "**THE HOUSING SYSTEM**" in the Official Statement for the Bonds.

The audited financial statements described above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer or University is an "obligated person" (as defined by the Rule), which have been filed with EMMA. If the document included by reference is a final limited offering memorandum, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 15 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;

12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material; and
15. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

SECTION 6. Identifying Information. In accordance with the Rule, all disclosure filings submitted in pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. Termination of Reporting Obligation. Except as otherwise provided herein, the obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Agreement. The initial Dissemination Agent shall be the University. The Dissemination Agent may resign at any time

by providing at least 30 days' written notice to the Issuer, and such resignation shall be effective as of the date of the appointment of a designated Dissemination Agent.

SECTION 9. Amendment: Waiver. Notwithstanding any other provision of this Agreement, the Issuer, the Dissemination Agent and the University may amend this Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Issuer and University other than amendments increasing or affecting the obligations or duties of the Dissemination Agent, which amendments shall require the consent of the Dissemination Agent, as applicable) and any provision of this Agreement may be waived if such amendment or waiver would not, in the opinion of nationally recognized federal securities law counsel, cause the undertakings herein to violate the Rule as in effect at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule.

In the event of any amendment or waiver of a provision of this Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Reports for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer or University from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Issuer shall not have any obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer or University to comply with any provision of this Agreement, at the written direction of the Underwriter, or any holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or University to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of a failure of the Issuer or University to comply with this Agreement shall be an action to compel performance; provided, however that nothing in this Agreement shall limit any holder's rights under applicable federal securities laws.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Dissemination Agent in its individual capacity may be sold or otherwise transferred, shall be the Dissemination Agent under this Agreement without further act. The Issuer and University covenant and agree to hold the Dissemination Agent and its directors, officers, agents and employees (collectively, the "Dissemination Parties") harmless from and against any and all liabilities, losses, damages, fines, suits, actions, demands, penalties, costs and expenses, including out-of-pocket, incidental expenses, legal fees and expenses, the allocated costs and expenses of in-house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim ("Losses") that may be imposed on, incurred by, or asserted against, the Dissemination Parties or any of them for following any instruction or other direction upon which the Dissemination Agent was authorized to rely pursuant to the terms of this Agreement. Provided the Dissemination Agent has not acted negligently, the Issuer and University also covenant and agree to hold the Dissemination Parties and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the Dissemination Parties or any of them in connection with or arising out of the Dissemination Agent's performance under this Agreement. The provisions of this Section 11 shall survive the termination of this Agreement and the resignation or removal of the Dissemination Agent for any reason. Anything in this Agreement to the contrary notwithstanding, in no event shall the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to loss profits), even if the Dissemination Agent has been advised of such loss or damage and regardless of the form of action. The obligations of the Issuer and University under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds or the termination hereof.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Agreement may be given as follows:

If to the University	Florida Atlantic University 777 Glades Road Boca Raton, Florida 33431 Attention: Dennis Crudele, Senior VP of Finance and Administration
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To the Dissemination Agent:	Florida Atlantic University 777 Glades Road Boca Raton, Florida 33431 Attention: Dennis Crudele, Senior VP of Finance and Administration
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Administration

If to the Issuer:

The FAU Finance Corporation
Florida Atlantic University
777 Glades Road
Boca Raton, Florida 33431
Attention: Dennis Crudele, Executive Director

Any person may, by written notice to the other persons listed above, designate a different address to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Agreement shall inure solely to the benefit of the University, the Dissemination Agent, the Issuer, the Underwriter, and the holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Applicable Law. This Agreement shall be construed under the laws of the State.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the University, the Dissemination Agent and the Issuer have executed this Agreement under seal on the date and year first written above.

WITNESS:

FLORIDA ATLANTIC UNIVERSITY, on behalf of its Board of Trustees, as University

Name: _____

By: _____

Name: _____

Title: _____

[SEAL]

WITNESS:

FLORIDA ATLANTIC UNIVERSITY, on behalf of its Board of Trustees, as Dissemination Agent

Name: _____

By: _____

Name: _____

Title: _____

[SEAL]

WITNESS:

THE FAU FINANCE CORPORATION, not-for-profit Florida corporation, as Corporation

Name: _____

By: _____

Name: Dennis Crudele

Title: Executive Director

[CORPORATE SEAL]

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The FAU Finance Corporation

Name of Bond Issue: \$_____ The FAU Finance Corporation Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A

Name of University: Florida Atlantic University

Date of Issuance: _____, 2012

NOTICE IS HEREBY GIVEN that the Issuer and University have not provided an Annual Report with respect to the above-named Bonds.

Dated: _____, 20__

THE FAU FINANCE CORPORATION

(SEAL)

By: _____
Name: _____
Title: _____

cc: The FAU Finance Corporation
Florida Atlantic University