

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

Friday, November 16, 2012

SUBJECT: ROLL CALL.

PROPOSED BOARD ACTION

Initiate roll call to document member participation to ensure that appropriate quorum numbers are achieved.

BOARD MEMBERS

Mr. Anthony Barbar, Chair ___

Mr. Scott Adams, Vice Chair ___

Mr. Peter LoBello ___

RESOLUTION

A RESOLUTION OF THE FAU FINANCE CORPORATION APPROVING THE REFUNDING OF CERTAIN OUTSTANDING CAPITAL IMPROVEMENT REVENUE BONDS SUBORDINATE SERIES 2010B (INNOVATION VILLAGE PROJECT) AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE FIRST SUPPLEMENTAL TRUST INDENTURE PURSUANT TO WHICH THE FAU FINANCE CORPORATION'S CAPITAL IMPROVEMENT REVENUE BOND (STUDENT HOUSING PROJECT), SERIES 2012B ARE TO BE ISSUED IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,440,000 FOR THE PURPOSE OF REFUNDING THE SERIES 2010B BONDS; DELEGATING TO THE CHAIRPERSON OR THE EXECUTIVE DIRECTOR THE AUTHORITY TO EXECUTE AND DELIVER THE FIRST SUPPLEMENTAL TRUST INDENTURE RELATING TO THE NEGOTIATED SALE OF SUCH SERIES 2012B BOND TO JP MORGAN CHASE BANK, N.A. IN ACCORDANCE WITH THE TERMS SET FORTH HEREIN AND CERTAIN OTHER RELATED DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the FAU Finance Corporation (the "Finance Corporation") desires to refinance a portion of the costs related to the acquisition, construction and installation of Phase I of the Innovation Village student housing facility that were financed with proceeds of the Finance Corporation's Capital Improvement Revenue Bonds (Innovation Village Project) Subordinate Series 2010B (the "Refunded Bonds"); and

WHEREAS, the Finance Corporation has determined that the most appropriate way of refunding the Refunded Bonds to achieve debt service savings is to issue its Capital Improvement Revenue Bond (Student Housing Project), Series 2012B in an aggregate principal amount of \$3,440,000 pursuant to the terms of the Trust Indenture dated as of July 1, 2012, by and between the Finance Corporation and the U.S. Bank National Association, as trustee (the "Trustee") as supplemented by the First Supplemental Trust Indenture dated as of November 1, 2012 by and between the Finance Corporation and 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.

“Bank” means JPMorgan Chase Bank, National Association, and its successors and assigns.

“Board of Trustees” means the Florida Atlantic University Board of Trustees, and their successors and assigns

“Chairperson” means the Chairperson of the Finance Corporation and, in the Chairperson’s absence or unavailability, either Scott Adams or Pete 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.

“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.

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

“Supplemental Indenture” means the First Supplemental Trust Indenture dated as of November 1, 2012 by and between the Finance Corporation and the Trustee.

“Trust Indenture” means the Trust Indenture dated as of July 1, 2012 between the Finance Corporation and the Trustee, as supplemented by the Supplemental Indenture.

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

“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 refund the Refunded Bonds in accordance with the terms of the Act and the Trust Indenture.

(B) The Financial Advisor solicited bids from financial institutions related to the sale of the Series 2012B Bond and determined the terms and provisions provided by the Bank contain the provisions most favorable to the Finance Corporation.

(C) The Finance Corporation is authorized and empowered by the Act and the Trust Indenture to refund the Refunded Bonds with proceeds of the Series 2012B Bond.

(D) The Series 2012B Bond is 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 2012B subaccount of the Rebate Fund and the 2012B subaccount of the Cost of Issuance Fund.

(E) The pledge of and lien on the Pledged Revenues granted to the Bank is on parity with the pledge of and lien on Pledged Revenues granted to the Owners of the Series 2012A Bond.

(F) Due to limited size and maturity date of the Series 2012B Bond, it is in the best interest of the Finance Corporation that the Series 2012B Bond be sold pursuant to a negotiated sale to the Bank in accordance with the terms hereof, avoiding the additional costs of a publicly offered competitive sale of such bond, thereby obtaining the best possible price and interest rate for the Series 2012B Bond.

(G) The Series 2012B Bond shall constitute Additional Senior Bonds issued under the Trust Indenture.

(H) The Series 2012B Bond shall be secured solely as provided in the Trust Indenture, it being understood that the Series 2012B Bond 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 REFUNDING. The Finance Corporation hereby authorizes the refunding of the Refunded Bonds in accordance with the terms of the Trust Indenture. The Executive Director is hereby authorized and directed to direct the Trustee to redeem the Refunded Bonds and send all required notices.

SECTION 5. APPROVAL OF SUPPLEMENTAL INDENTURE. The Finance Corporation hereby authorizes and directs the Chairperson or the Executive Director to execute the Supplemental Indenture, and the Secretary to attest the same under the seal of the Finance Corporation, and to deliver the Supplemental Indenture to the Trustee for execution. The Supplemental 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 Series 2012B Bond. Execution by the Chairperson or the Executive Director of the Supplemental Indenture shall be deemed to be conclusive evidence of approval of such changes.

SECTION 6. APPROVAL OF SALE. The Bank has submitted a proposal to purchase the Series 2012B Bond and upon the Financial Advisor's recommendation, the Finance Corporation hereby authorizes a negotiated sale of the Series 2012B Bond to the Bank in a principal amount of \$3,440,000 at an interest rate not to exceed 2.17% per annum, subject to adjustment, to be dated the date of sale, with a maturity date of July 1, 2025 and with the tender rights all as provided in the Supplemental Indenture. The Series 2012B Bond shall not be delivered by the Executive Director until such time as the Executive Director shall receive from the Bank a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes.

SECTION 7. 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 or the Supplemental Indenture or desirable or consistent with the requirements of this Resolution or the Trust Indenture, 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 8. 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 9. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 16th day of November, 2012.

THE FAU FINANCE CORPORATION

(SEAL)

By: _____
Chairperson

ATTEST:

Secretary

EXHIBIT A

FORM OF SUPPLEMENTAL INDENTURE

THE FAU FINANCE CORPORATION

Issuer

and

U.S. BANK NATIONAL ASSOCIATION

Trustee

FIRST SUPPLEMENTAL TRUST INDENTURE

**Capital Improvement Revenue Bond
(Student Housing Project),
Series 2012B
Dated as of November 1, 2012**

This instrument also constitutes a security agreement under the laws of the State of Florida.

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EXHIBIT A - FORM OF REQUISITION FOR COSTS OF ISSUANCE FUND

FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE is made and entered into as of November 1, 2012 by and between **THE FAU FINANCE CORPORATION** (the "Issuer") a not-for-profit corporation organized and existing under the laws of the State of Florida, a direct support organization of the Florida Atlantic University (the "University") pursuant to Section 1004.28, Florida Statutes and an instrumentality of the University and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States and the State of Florida, with a corporate trust office located in Fort Lauderdale, Florida, as trustee (together with any successor trustee hereunder, the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered by the Act (as hereinafter defined) and the terms and provisions of the Trust Indenture dated as of July 1, 2012 (the "Master Indenture") by and between the Trustee and the Issuer to issue its Capital Improvement Revenue Bond (Student Housing Project), Series 2012B (the "Series 2012B Bond") and use the proceeds thereof to pay the costs of the refunding the Refunded Bonds, as defined herein; and

WHEREAS, the parties hereto now wish to enter into this First Supplemental Trust Indenture dated as of November 1, 2012, as amended and supplemented from time to time (the "First Supplemental Indenture", which together with the Master Indenture, the "Indenture") to set forth the terms by which the Series 2012B Bonds shall be issued and secured, the proceeds of Series 2012B Bond shall be applied and certain other terms regarding the Trustee's obligations, the Issuer's obligations and other matters; and

ARTICLE I. DEFINITIONS

Capitalized terms not otherwise defined herein or in the preamble hereof shall have the meaning as set forth in the Master Indenture. The following words and phrases shall have the following meanings:

"Adjusted One-Month LIBOR Rate" shall mean the sum of 2.50% plus the quotient of (a) the LIBOR Rate on the immediately preceding business day for dollar deposits with a maturity equal to one-month, divided by (b) one minus the "Reserve Requirement" applicable to dollar deposits in the London interbank market with a maturity equal to one month.

"Bank" shall mean JPMorgan Chase Bank, N.A., a national banking association and its successors or affiliates.

"Costs of Issuance Fund" means the account by that name created pursuant to Section 5.02 hereof.

"Default Rate" shall mean the higher of (1) JP Morgan Chase Bank's Prime Rate and (2) the Adjusted One-Month LIBOR Rate plus 4%. The Default Rate shall be determined as of the day immediately following the date on which any amount payable to the Owner hereunder is not paid when due.

"Determination of Taxability" shall mean, with respect to the Series 2012B Bond, (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Series 2012B Bond is includable for federal income tax purposes in the gross income of the Owner thereof, which notice or notification is not contested by either the Issuer or any Owner of the Series 2012B Bond, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Series 2012B Bond is includable for federal income tax purposes in the gross income of the Owner thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Issuer to the effect that interest on the Series 2012B Bond is includable for federal income tax purposes in the gross income of the Owner thereof.

"Initial Tender Date" means July 1, 2019.

"Maximum Corporate Tax Rate" shall mean (a) on the date of issuance of the Series 2012B Bond, 35% and (b) thereafter, the maximum marginal rate of income tax imposed on corporations under Section 11 of the Code.

"Maximum Rate" means the maximum rate of interest permitted as provided by law.

"Paying Agent" means the Trustee, or any person designated from time to time by the Issuer, by supplemental indenture, subject to the provisions of the Master Indenture.

"Prime Rate" shall mean a rate of interest equal to the announced prime commercial lending rate per annum of the Bank. The Prime Rate is a reference rate for the information and use of the Bank in establishing the actual rate to be charged to the Issuer. The Prime Rate is purely discretionary and is not necessarily the lowest or best rate charged any customer. The Prime Rate shall be adjusted from time to time without notice or demand as of the effective date of any announced change thereof.

"Refunded Bonds" means the Issuer's \$3,365,000 Capital Improvement Subordinate Revenue Bond (Innovation Village Project), Series 2010B

"Registrar" means the Trustee or any person designated from time to time by the Issuer, by supplemental indenture, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the transfer of Bonds.

"Series 2012A Bond" means the Issuer's \$46,205,000 Capital Improvement Revenue Bond (Student Housing Project), Series 2012A.

“Series 2012B Bond” means the Issuer’s \$3,440,000 Capital Improvement Revenue Bond (Student Housing Project), Series 2012B.

“Taxable Rate” shall mean a rate equal to the Prime Rate times that percentage which after the Determination of Taxability will result in the same after-tax yield to the Owner of the Series 2012B Bond as before said Determination of Taxability.

“Tender Date” means each date the Owner of the Series 2012B Bond may tender such bond to the Issuer for purchase and shall include the Initial Tender Date and any successive Tender Date.

ARTICLE II. THE SERIES 2012B BOND

SECTION 2.01. AUTHORIZATION OF THE SERIES 2012B BOND AND REFUNDING OF REFUNDED BONDS.

(A) The Series 2012 Bonds are hereby authorized to be issued in an aggregate principal amount of Three Million Four Hundred Forty Thousand Dollars and No/100 cents (\$3,440,000), for the purpose of (i) refunding the Refunded Bonds and (ii) paying the costs associated with the issuance of the Series 2012B Bond.

(B) The refunding of the Refunded Bonds is hereby authorized by the Issuer in accordance with the provisions hereof and the Master Indenture.

SECTION 2.02. TERMS OF SERIES 2012B BOND.

(A) The Series 2012B Bond shall be designated “The FAU Finance Corporation Capital Improvement Revenue Bonds (Student Housing Project), Series 2012B,” and shall be issued as a single fully registered certificated Senior Bond, without coupons in the name of the Bank. The Series 2012B Bond shall be dated as of the date of their delivery, numbered RB-1.

(B) The Series 2012B Bond shall mature on July 1, 2025 in the stated principal amount of \$3,440,000 and shall bear interest payable semiannually commencing January 1, 2013 and on each January 1 and July 1 thereafter to maturity at the rate per annum equal to 2.17% calculated on the basis of a 360-day year consisting of twelve (12) thirty (30) day months, subject to adjustment, all as set forth herein. If any payment required under the Series 2012B Bond or hereunder is not made when due, then the Issuer shall also be obligated to pay interest on such amounts at the Default Rate. Such late payment shall be due and payable immediately.

SECTION 2.03. ADJUSTMENTS TO INTEREST RATE.

(A) Adjustment of Interest Rate in the Event of a Determination of Taxability. In the event a Determination of Taxability shall have occurred, the interest rate shall be increased to the Taxable Rate, effective retroactively to the date on which the interest payable on the

Series 2012B Bond is includable for federal income tax purposes in the gross income of the Owner thereof. In addition, the Owner of the Series 2012B Bond or any former Owners of the Series 2012B Bond, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States of America by the Owner or former Owners of the Series 2012B Bond as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Issuer within sixty (60) days following the Determination of Taxability and demand by the Owner.

(B) Adjustment of Note Rate for Partial Taxability. In the alternative, in the event that interest on the Series 2012B Bond during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of the Series 2012B Bond, then the interest rate on the Series 2012B Bond shall be increased during such period by an amount equal to: $(A-B) \times C$ where:

(A) "A" equals the Taxable Rate (expressed as a percentage);

(B) "B" equals the interest rate on the Series 2012B Bond (expressed as a percentage); and

(C) "C" equals the portion of the Series 2012B Bond the interest on which has become taxable as the result of such tax change (expressed as a decimal).

In addition, the Owner of the Series 2012B Bond or any former Owners of the Series 2012B Bond, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owner or former Owners of the Series 2012B Bond as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Issuer within sixty (60) days following the Determination of Taxability and demand by the Owner.

(C) Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the Maximum Corporate Tax Rate during any period with respect to which interest shall be accruing on the Series 2012B Bond on a tax-exempt basis, changes from the Maximum Corporate Tax Rate then in effect, the interest rate on the Series 2012B Bond that is bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Series 2012B Bond by a fraction equal to $(1-A)$ divided by $(1-B)$, where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment.

(D) Adjustment of Interest Rate for Other Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Series 2012B Bond or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on

the Series 2012B Bond or causes a reduction in yield on the Series 2012B Bond (other than by reason of a change described above) to the Owner or any former Owners of the Series 2012B Bond, including, without limitation, the imposition of any excise tax or surcharge thereon, or (b) if, as result of action by any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Owner or any former Owners of the Series 2012B Bond (other than by reason of a change described above or by reason of any action or failure to act on the part of the Owner or any former Owners of the Series 2012B Bond), including, but not limited to, loss of status as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B) of the Code, by reason of the ownership of the Series 2012B Bond, the Issuer shall reimburse any such Owner within five (5) days after receipt by the Issuer of written demand for such payment, and, to the extent permitted by law, the Issuer agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change. The determination of the after-tax yield calculation shall be verified by a firm of certified public accountants regularly employed by the current Owner of the Series 2012B Bond and acceptable to the Issuer, and such calculation, in the absence of manifest error, shall be binding on the Issuer and the Owner.

(E) Anything provided herein or in the Series 2012B Bond to the contrary notwithstanding, in no event shall the Series 2012B Bond bear interest in excess of the Maximum Rate. In the event the Series 2012B Bond Rate exceeds the Maximum Rate, the Series 2012B Bond shall continue to bear interest at the Maximum Rate regardless of the reduction of the Series 2012B Bond Rate to a rate less than the Maximum Rate until such time as interest shall accrue on the Series 2012B Bond in an amount (the "Excess Interest") that would have accrued thereon had the Series 2012B Bond Rate not been limited by the Maximum Rate. Upon the Maturity Date, in consideration for the limitation of the rate of interest otherwise payable on the Series 2012B Bond, the Issuer shall pay to the Owner of the Series 2012B Bond a fee equal to the amount of the unpaid amount of all unpaid deferred Excess Interest.

If required, the Issuer agrees to take whatever action is necessary to comply with the provisions of Section 215.84, Florida Statutes, relating to the Maximum Rate of interest including, but not limited to, filing a request with the State Board of Administration for the authorization of an adjusted interest rate derived by the terms of this Section 3.03, if such rate is in excess of the Maximum Rate.

SECTION 2.04. APPLICATION OF SERIES 2012B BOND PROCEEDS. The proceeds received from the sale of the Series 2012B Bond, together with other legally available moneys of the Issuer, if any, shall be deposited by the Issuer and the Trustee, simultaneously with the delivery of the Series 2012B Bond, as provided in Section 5.03 hereof.

ARTICLE III. REDEMPTION OF BONDS BEFORE MATURITY

SECTION 3.01. REDEMPTION PROVISIONS AND TENDER RIGHTS FOR SERIES 2012B BOND.

(A) The Series 2012B Bond is subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any Tender Date, and if in part, in such manner as determined by the Trustee, at the redemption price of 100% of the principal amount of the Series 2012B Bond to be redeemed, without redemption premium, plus accrued interest to the redemption date.

(B) The Series 2012B Bond is subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any date other than a Tender date, and if in part, in such manner as determined by the Trustee, at the redemption price of 100% of the principal amount of the Series 2012B Bond to be redeemed plus accrued interest to the redemption date and the payment of the Redemption Premium. For purposes of the foregoing, the term "Redemption Premium" shall mean the sum of the differences between (a) each scheduled interest payment which would have been made on the redeemed amount if such redemption had not occurred and (b) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Owner shall be deemed to have entered into as of the date of such redemption (the "Replacement Swap") covering its payment obligations under an interest rate swap which the Owner shall be deemed to have entered into when the redeemed amount was originally funded, with each such difference discounted to a present value as of the date of redemption using the fixed interest rate of the Replacement Swap as the applicable discount rate. The Issuer acknowledges that the Owner might not fund or hedge its fixed-rate loan portfolio or any redemption thereof on a loan-by-loan basis at all times, and agrees that the foregoing is a reasonable and appropriate method of calculating liquidated damages for any redemption irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to the loan evidenced by the Series 2012 Bond. All calculations and determinations by the Owner of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

(C) The Series 2012 are subject to mandatory redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon, without redemption premium, on the dates and in the Amortization Installments set forth below:

<u>July 1 of the Year</u>	<u>Amortization Installments</u>
2013	\$165,000
2014	240,000
2015	250,000
2016	255,000
2017	260,000
2018	265,000
2019	270,000
2020	275,000
2021	280,000
2022	285,000
2023	290,000
2024	300,000
2025	305,000

*Final Maturity.

SECTION 3.02. NOTICE OF REDEMPTION. Notice of the call for redemption, other than mandatory redemption from Amortization Installments, identifying the Series 2012B Bond or portions thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least 10 days but not more than 60 days prior to the date fixed for redemption to the Owner of the Series 2012 Bonds to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided in this Section 3.02 shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

SECTION 3.03. HOLDER'S TENDER RIGHT. The Series 2012B Bond shall be subject to tender, at the option of the Owner of the Series 2012B Bond, on the Initial Tender Date (and not on any date before such date). Not sooner than 150 days but not later than 90 days prior to the Tender Date the Issuer shall request from the Owner of the Series 2012B Bond for a determination of the next Tender Date and the indicative interest rate for the period subsequent to the current Tender Date to the next succeeding Tender Date. The Owner of the Series 2012B Bond shall provide the Issuer, by written notice within 60 days of the Issuer's request, its determination of the indicative interest rate following the then current Tender Date and the proposed Tender Date. The issuer shall provide written notice to the Owner of the Series 2012 Bond that the Issuer either accepts or declines the proposed terms no later than 30 days prior to the then current Tender Date. Upon acceptance by the Issuer of the proposed terms the Issuer and the Owner of the Series 2012B Bond shall execute an amendment to this First Supplemental Indenture confirming the adjusted interest rate, the new Tender Date and any other terms or provisions required by the Owner of the Series 2012B Bond. The Issuer shall cause an opinion of its bond counsel to be rendered that such adjustments in the interest rate and Tender Date shall have no adverse effect with respect to the tax exempt status of the Series 2012B Bond.

It shall constitute and Event of Default under the Indenture in the event the Issuer shall fail to purchase the Series 2012B Bond on a Tender Date.

ARTICLE IV.
GENERAL COVENANTS, REPRESENTATIONS AND WARRANTIES

SECTION 4.01. PAYMENT OF PRINCIPAL AND INTEREST. The Issuer covenants that it will promptly pay the principal of, redemption premium, if any, and interest on the Series 2012B Bond issued under the Indenture at the place, on the dates and in the manner and to the extent provided herein and in the Series 2012B Bond according to the true intent and meaning thereof, provided that the principal, redemption premium, if any, and interest are payable by the Issuer solely from funds derived from the Pledged Revenues in the manner and to the extent provided herein and in the Master Indenture, and nothing in the Series 2012B Bond or the Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer other than the Pledged Revenues as provided herein or in the Master Indenture.

SECTION 4.02. PERFORMANCE OF COVENANTS BY ISSUER. The Series 2012B Bond shall constitute Additional Senior Bonds within the meaning of the Master Indenture and all covenants contained in the Master Indenture will be fully applicable to the Series 2012B Bond as if originally issued under the Master Indenture. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in the Series 2012B Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto and the Management Agreement. The Issuer further covenants that all action on its part for the issuance of the Series 2012B Bond and the execution and delivery of this First Supplemental Indenture has been duly and effectively taken, and that the Series 2012B Bond held by the Owner are and will be a valid and enforceable limited obligation of the Issuer according to the terms of the Master Indenture and hereof. The Issuer represents that it is not in default in the performance of any covenant or obligation assumed by it under the Indenture and all payments required under the Indenture required to be made into the funds and accounts under the Indenture have been made in full to the extent required

SECTION 4.03. VALIDITY. The Indenture and the Series 2012B Bond are valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

SECTION 4.04. NO FINANCIAL MATERIAL ADVERSE CHANGE. There are no actions, proceedings or investigations pending against the Issuer or affecting the Issuer (or any basis therefor known to the Issuer) which, either in any case or in the aggregate, might result in any material adverse change in the financial condition, business, prospects, affairs or

operations of the Issuer or in any of its properties or assets, or in any material impairment of the right or ability of the Issuer to carry on its operations with respect to the Housing System as now conducted or proposed to be conducted, or in any material liability on the part of the Issuer and none which questions the validity of the Indenture or the Series 2012B Bond or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

SECTION 4.05. LIENS AND ENCUMBRANCES. There are no liens or encumbrances on the Pledged Revenues other than as provided in the Indenture with respect to the Series 2012A Bonds.

SECTION 4.06. NO LITIGATION. There are no suits or proceedings pending or threatened, of which the Issuer has notice, in any court or before any regulatory commission, board or other administrative governmental agency against or affecting the Issuer, which would have a material adverse affect on the ability of Issuer to fulfill its obligations under the Indenture.

SECTION 4.07. FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION. The Issuer shall deliver to the Owner of the Series 2012B Bond audited annual financial reports of the Issuer, including the funds and accounts established under the Indenture, prepared by an independent firm of certified public accountants of nationally recognized ability and standing selected by the Issuer. Such reports shall be prepared in accordance with generally accepted auditing standards and on an accrual basis and shall be filed with the Owner of the Series 2012B Bond no later than 120 days after the close of the Issuer's Fiscal Year together with a certificate of the Issuer's Authorized Officer to the affect that no Event of Default has occurred or is continuing under the Indenture and the Issuer is in compliance with the covenants thereunder, including covenant calculations.

The Issuer shall cause to be deliver to the Owner of the Series 2012B Bond audited consolidated annual financial reports of the University. Such reports shall be prepared in accordance with generally accepted auditing standards and on an accrual basis and shall be filed with the Owner of the Series 2012B Bond by the date which is the later of (a) 180 days after the close of the University's Fiscal Year or (b) 10 days following receipt by the University of such report from the office of the State Auditor General.

The Issuer shall provide the Owner of the Series 2012B Bond its adopted annual budget for the Housing System within 120 days within its Fiscal Year end.

The Issuer shall provide the Owner of the Series 2012B Bond such other information as it may reasonably request in writing from time to time.

ARTICLE V. REVENUES AND FUNDS

SECTION 5.01. SOURCE OF PAYMENT OF BONDS; COLLECTION OF PLEDGED REVENUES.

(A) The Series 2012B Bond, together with interest thereon, is not a general or moral obligation of the Issuer, the University or the State, but is a limited obligation payable solely and only from the Pledged Revenues in the manner and to the extent provided in the Indenture, including investments thereof and the proceeds of such investments, if any, but not including moneys in the 2012B Rebate Account and in the Cost of Issuance Fund. The Pledged Revenues, including investments thereof and the proceeds of such investments, if any, but not including moneys on deposit in the 2012B Rebate Account and in the Cost of Issuance Fund, are hereby pledged and assigned as security for the payment of the Series 2012B Bond, on a parity with the Series 2012A Bonds and shall be used for no other purposes than to pay the principal of, redemption premium, if any, and interest on the Series 2012B Bond, the Series 2012A Bonds and any Additional Senior Bonds hereafter as may be issued, in the order and priority expressly authorized in the Indenture or to pay the Rebate Amount. Notwithstanding anything herein to the contrary, nothing herein provided shall be deemed to grant or create a lien on any subaccount in the Reserve Fund created with respect to a particular Series of Bonds, in favor of the Bondholders of any other Series and each account in the Reserve Fund shall secure only the Series of Bonds with respect to which it was created. The Owner of the Series 2012B Bond shall have no interest in the amounts on deposit in the subaccount in the Reserve Fund established for the benefit of the Owners of the Series 2012A Bonds.

(B) The Issuer covenants that, so long as any of the Bonds are outstanding, it will diligently take all actions necessary to collect and receive System Revenues pursuant to the Management Agreement and deposit or cause to be deposited the System Revenues together with Excess Housing Revenues as provided in Section 5.04 of the Master Indenture, and it will refrain from taking any action which would cause or result in not collecting, receiving, depositing, appropriating or transferring the System Revenues together with Excess Housing Revenues as provided in Section 5.04 of the Master Indenture.

SECTION 5.02. CREATION OF FUNDS AND ACCOUNTS.

There are hereby created and established a subaccount within the Costs of Issuance Fund and a subaccount within the Rebate Fund for the Series 2012B Bond.

SECTION 5.03. APPLICATION OF SERIES 2012B BOND PROCEEDS.

(A) Unless otherwise provided to the contrary by certificate of the Authorized Officer of the Issuer, the proceeds of the Series 2012B Bond received from the sale of the Series 2012B Bond, together with other legally available funds of the Issuer, if any, shall, be deposited by the Issuer and upon receipt by the Trustee simultaneously with the delivery of the Series 2012B Bond, be applied by the Trustee in the following order and priority:

(a) Costs of Issuance. \$_____ representing proceeds from the Series 2012B Bond, shall be held by the Trustee in the Series 2012B subaccount of the Costs of Issuance Fund, and shall be used to pay when due and/or reimburse the costs of issuance of the Series 2012 Bonds.

(b) Escrow Fund. \$_____ representing proceeds from the Series 2012B Bond, together with other legally available funds of the Issuer shall be deposited in the Series 2010B Escrow Fund and shall be disbursed on December __, 2012 to pay the Refunded Bonds.

In determining such amounts to be deposited to such funds and accounts, as hereinafter described, the Trustee may conclusively rely upon written instructions provided to it by, or approved by, the Issuer or the Issuer's financial advisor.

(B) Costs of Issuance Fund.

(i) Moneys in the Costs of Issuance Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and proceeds of the Bonds on deposit in the Costs of Issuance Fund, shall be disbursed by the Trustee from the Costs of Issuance Fund and applied by the Issuer to pay costs of issuance upon the delivery to the Trustee of a Requisition For Payment substantially in the form attached as Exhibit A hereto, executed by the Authorized Officer of the Issuer and containing the information required to complete Schedule A to such Requisition For Payment. In making any such disbursement from the Costs of Issuance Fund, the Trustee may rely conclusively on such Requisition for Payment and the Trustee shall be relieved of all liability with respect to making such disbursement in accordance with such Requisition for Payment without any investigation. Any amounts deposited to the Costs of Issuance Fund which are not needed to pay costs within six months of the date of issuance of the related Series of Bonds shall be transferred to the Construction Fund and used for purposes permitted therefore. Thereafter the Costs of Issuance Fund shall be closed.

SECTION 5.04. DESIGNATION OF RESERVE REQUIREMENT.

(A) The Reserve Requirement for the Series 2012B Bond shall be zero (\$0.00).

SECTION 5.05. USE OF MONEYS IN THE 2012B REBATE ACCOUNT. The Issuer shall deposit into the 2012B Rebate Account, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the 2012B Rebate Amount for such Rebate Year. The Issuer shall engage a qualified rebate analyst (the "2012 Rebate Analyst") to calculate the 2012B Rebate Amount. Such moneys deposited in the Rebate Account shall be used only for the payment of the 2012B Rebate Amount to the United States as required by this Section 5.05 as directed in writing by the Issuer. In complying with the foregoing, the Issuer may rely upon any written instructions or opinions from Bond Counsel.

If any amount shall remain in the 2012B Rebate Account after payment in full of all Series 2012B Bond issued hereunder and after payment in full of the 2012B Rebate Amount to the United States in accordance with the terms hereof at the written direction of the Issuer, such amounts shall be paid to the Issuer and used to make capital improvements to the Housing System, to defease Bonds or to pay principal and interest on Bonds.

The 2012B Rebate Account shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as provided herein.

Notwithstanding any other provision of this Indenture, including in particular Section 4.07 of the Master Indenture, the obligation to pay over the 2012B Rebate Amount to the United States and to comply with all other requirements of Section 4.07 hereof and this Section 5.05 shall survive the defeasance or payment in full of the Series 2012B Bond.

ARTICLE VI. MISCELLANEOUS

SECTION 6.01. LIMITATION OF RIGHTS. With the exception of rights herein or in the Master Indenture expressly conferred, nothing expressed or mentioned in or to be implied from the Indenture or the Series 2012B Bond is intended or shall be construed to give to any person or company other than the parties hereto, and the Owner, any legal or equitable right, remedy or claim under or in respect to the Indenture or any covenants, conditions and provisions herein contained; the Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto the Owner of the Series 2012B Bond as provided herein and the Master Indenture.

SECTION 6.02. SEVERABILITY. If any provision of this First Supplemental Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

SECTION 6.03. NOTICES. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first class or overnight mail, postage prepaid, or sent by confirmed facsimile or other electronic means, addressed to the appropriate Notice Address. The Issuer and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 6.04. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bond shall be a Saturday, a Sunday or a legal holiday or a day on which banking institutions are authorized by law to close in the State, then payment of

interest or principal may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption.

SECTION 6.05. COUNTERPARTS. This First Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6.06. APPLICABLE PROVISIONS OF LAW; MEMBERS OF ISSUER NOT LIABLE. This Indenture shall be governed by and construed in accordance with the laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Issuer in his individual capacity, and neither the members of the Issuer nor any official executing the Series 2012B Bond shall be liable personally on the Series 2012B Bond nor shall they be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 6.07. CAPTIONS OR HEADINGS IN THIS INDENTURE. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this First Supplemental Indenture.

SECTION 6.08. THIRD PARTY BENEFICIARIES. Each of the parties hereto agrees that, other than the Owner of the Series 2012B Bond, there are not intended to be any other third party beneficiaries to this First Supplemental Indenture.

SECTION 6.09. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, each of the Issuer and the Owner of the Series 2012B Bond, knowingly, voluntarily and intentionally waives any right each may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with the Indenture, the Series 2012B Bond or any agreement contemplated to be executed in connection with the Indenture, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party with respect hereto. This provision is a material inducement to the Bank to purchase the Series 2012B Bond.

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed on its behalf by its Executive Director and attested by its Secretary, and the seal of the Issuer to be hereunto affixed and duly attested; and the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized officer, all as of the day and year first above written.

THE FAU FINANCE CORPORATION

(SEAL)

By: _____
Its: Executive Director

ATTEST:

By: _____
Secretary

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Name: Timothy P. Miller
Title: Assistant Vice President

EXHIBIT A

REQUISITION FOR PAYMENT FROM COSTS OF ISSUANCE FUND

\$3,440,000

THE FAU FINANCE CORPORATION
Capital Improvement Revenue Bonds
(Student Housing Project), Series 2012B

Requisition Number: ____

Requisition Date: __/__/__

Total Requisition Amount: \$_____

To: U.S. Bank National Association (the "Trustee")

Re: Payment of the amounts on the attached schedule in connection with the above-captioned Bonds.

The FAU Finance Corporation (the "Issuer") does hereby make application to you for payment of costs of issuance of the Series 2012B Bond issued pursuant to the Trust Indenture (the "Indenture"), dated as of July 1, 2012, as supplemented by the First Supplemental Trust Indenture dated as of November 1, 2012, by and between the Issuer and the Trustee that have been billed to the Issuer or otherwise incurred by the Issuer in connection with the _____ (as defined in the Indenture). All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

You are hereby requested to make disbursements from the Costs of Issuance Fund of the amounts as set forth on Schedule A attached to this certificate, to the payees listed on Schedule A all as provided therein.

THE FAU FINANCE CORPORATION

By: _____

Name: _____

Its: Authorized Officer

SCHEDULE A

INVOICES

<u>Item No.</u>	<u>Payee</u>	<u>Description of Work</u>	<u>Amount</u>	<u>Direct Pay or Reimbursement</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				