

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

AGENDA

Annual Meeting

Monday, October 14, 2019 1:00pm

President's Conference Room

Boca Raton Campus, Building 10, Room 340

Call in Number: 1-888-585-9008 / Passcode: 581019807#

1. Roll Call and Approval of the Draft Minutes of the April 18, 2019
Meeting of the FAUFC Board of Directors Mr. Barbar
2. Review of the Audited FAU Finance Corporation Financial Report
For the Year Ended June 30, 2019..... Mr. Kite/Auditor
3. Request for Approval of the 2020-21 Housing Budget and Rental RatesMr. Kite
4. Housing Report as of September 30, 2019.....Mr. Kite
5. A Resolution Authorizing the Financing of New Student Housing Facilities
and Authorizing the Advance Refunding of Certain Outstanding Capital
Improvement Revenue Bonds Mr. Kite
6. Discussion of Other ItemsMr. Kite

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

Monday, October 14, 2019

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE APRIL 18, 2019 MEETING OF THE FAU FINANCE CORPORATION BOARD OF DIRECTORS.

PROPOSED BOARD ACTION

Initiate roll call to document member participation to ensure that appropriate quorum numbers are achieved and to approve the minutes of the April 18, 2019 FAU Finance Corporation board of Directors meeting.

BOARD MEMBERS

Mr. Anthony Barbar, Chair	___
Mr. Robert K. Rollins, Jr., Vice Chair	___
Mr. Michael Woody	___
Mr. Thomas Workman	___

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Thursday, April 18, 2019

1. ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE OCTOBER 30, 2018 FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.

The meeting of the FAUFC BOD was convened at 2:05p.m. by Mr. Anthony Barbar, Chair. Roll call commenced, confirming quorum, with the following members of the FAUFC BOD in addition to Mr. Barbar, participating: Mr. Robert Rollins, Vice Chair; Mr. Thomas Workman; and Mr. Michael Woody (via phone). The following officers were in attendance: Mr. Art Kite, Executive Director.

The following guests were in attendance:

Ms. Stacey Bell, Associate Vice President for Finance, Planning and Analysis; Ms. Jessica Cohen, Assistant Vice President and University Controller; Dr. Corey King, Vice President for Student Affairs; Mr. Michael Cocuzza, Director of Finance and Housing Operations; Mr. Jeff Atwater, Vice President of Strategic Initiatives and CFO; Ms. Elizabeth Rubin, Associate General Counsel; Ms. Priscilla Moxey, Associate Director, Accounting and Finance; and, Ms. Jessica Camacho, Administrative Assistant.

A motion was made and seconded to approve the minutes of the October 30, 2018 meeting without change or correction. **The motion passed unanimously.**

2. REQUEST FOR APPROVAL OF THE RESOLUTION FOR INTEREST RATE RESET SERIES 2012B BONDS.

Mr. Kite presented the resolution for interest rate reset for Series 2012B NBQ Direct Purchase Bond. The purpose is to extend the maturity to final maturity of the underlying bond or July 1, 2025. The outstanding principal balance as of April 15, 2019 is \$2,005,000. On July 1, 2019 the principal balance will be \$1,735,000. The interest rate is a 2.23% fixed rate indicative as of April 10, 2019; JPMorgan to enter into rate lock agreement provided Issuer executes JPMorgan rate lock form. Financial Advisor Craig Dunlap sought rates from other banks which were higher. The legal fees are estimated at \$5,000; Nelson Mullins Broad and Cassel would serve as JPMorgan's legal counsel. All other terms and conditions will be substantially consistent with those set forth in that certain Series 2012B Bond dated November 30, 2012 by and between the Issuer and JPMorgan Chase Bank, N.A.

A motion was made and seconded to nominate and elect the above listed Officers. **The motion passed unanimously.**

3. INTERIM FINANCIAL AND OPERATIONAL PERFORMANCE REPORT ON THE FAU HOUSING SYSTEM, BOCA RATON CAMPUS FY 2018-19.

Mr. Barbar started out informing the board that the Board of Governors (BOG) approved the replacement of Algonquin, which is 94 beds, to a 616-bed dorm which includes 165 beds in Jupiter. It is a \$78.5M expansion and the presentation to the BOG was a huge success.

Dr. King reminded the board that occupancy in FY14 was at 82% and Fall 2019 is already at 100% as of today. There is a waitlist for occupancy in Jupiter for the first time ever. Dr. King went over projects completed and soon to be completed this fiscal year.

Mr. Cocuzza presented the interim financials. Revenues are \$1.5M higher than budgeted and in line with last year. Budgeted at 100% for next year. The FY20 budget was approved already by the FAUFC. Revenues are up from last year along with expenses.

Dr. King advised that Housing is proposing a 2.4% average rental rate increase for premium spaces for 2021 but there will not be a vote until the October meeting. This will generate approximately \$1M in revenue which will go to the Get Wise program. The last increase was Fall of 2015. Price point will still be in market range and there were no concerns. Jupiter will be included in the increase as well.

Dr. King introduced Urban Male Initiative (UMI) Director Ron Oliver who gave an update on this program. Dr. King asked the board to consider \$350,000 for UMI which is in the budget and approved in Item 4.

4. REQUEST APPROVAL OF THE FAU FINANCE CORPORATION 2019-20 OPERATING BUDGET.

Mr. Kite presented the operating budget and explained that Housing was approved in October. The board is approving Administrative and Stadium today. No big changes. Board was asked to approve along with the increase from \$275,000 to \$350,000 for UMI.

A motion was made and seconded to approve the FAUFC 2019-20 Operating Budget with an increase to \$350,000 for UMI. **The motion passed unanimously.**

ADJOURNMENT OF MEETING. With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 2:37 p.m.

FAU FINANCE CORPORATION

Item: 2

BOARD OF DIRECTORS

Monday, October 14, 2019

**SUBJECT: REVIEW OF THE AUDITED FAU FINANCE CORPORATION FINANCIAL
REPORT FOR THE YEAR ENDED JUNE 30, 2019.**

PROPOSED BOARD ACTION

Information Only.

BACKGROUND INFORMATION

The audited financial statements of the Florida Atlantic University Finance Corporation (FAUFC) are presented to keep the Board of Directors informed about the financial status of the FAUFC. The audited financial statements are for the fiscal year ending June 30, 2019.

Supporting Documentation: FAUFC Financial Report Year Ended June 30, 2019

Presented by: Keefe McCullough CPA's + Trusted Advisors

FAU Finance Corporation
(A Component Unit of Florida
Atlantic University)

Financial Report
For the Year Ended June 30, 2019

Table of Contents

Independent Auditor's Report on the Financial Statements	1 - 2
---	-------

Management's Discussion and Analysis (unaudited)	3
--	---

Financial Statements

Statement of Net Position	4
Statement of Revenues, Expenses and Changes in Net Position	5
Statement of Cash Flows	6-7
Notes to Financial Statements	8 - 18

Other Reports from Independent Auditors

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19 - 20
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
FAU Finance Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of FAU Finance Corporation (the "Corporation"), a direct support organization and component unit of Florida Atlantic University, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CPA's + Trusted Advisors

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2019, and the changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Corporation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements, in our report dated October 23, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2019, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
October 4, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the FAU Finance Corporation, a direct support organization and component unit of Florida Atlantic University (hereafter "University") for the fiscal years ended June 30, 2019 and 2018, and should be read in conjunction with the financial statements and notes thereto. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38. The MD&A, and financial statements and notes thereto, are the responsibility of the FAU Finance Corporation's management. Pursuant to GASB Statement No. 35, the FAU Finance Corporation's financial report includes three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

FINANCIAL HIGHLIGHTS

The FAU Finance Corporation was incorporated on August 12, 2009 as a not-for-profit organization. It was established to assist the activities and educational purposes of the University by providing finance and investment - related assistance in connection with the acquisition or construction of capital or other University projects.

In August 2017, the FAU Finance Corporation issued \$40,035,000 of Capital Improvement Revenue Refunding Bonds (Football Stadium) Series 2017, which refunded the Series 2010 – Taxable Capital Improvement Revenue Bonds, to finance the construction of a 30,000 seat stadium. This bond bears an interest rate of 2.61% (subject to adjustment) through maturity on July 1, 2040. In July 2012, the FAU Finance Corporation issued Capital Improvement Revenue Bonds (Student Housing Project) Series 2012A totaling \$46,205,000 which mature beginning in July 2014 through 2042. The Bond has interest rates ranging from 3% to 5% with semiannual interest payments due on the first of July and January beginning in January 2013. In addition, the FAU Finance Corporation issued Capital Improvement Revenue Bonds (Student Housing Project) Series 2012B, which refunded the Series 2010B - Taxable Bonds in November 2012. The Capital Improvement Revenue Bonds (Student Housing Project) Series 2012B total \$3,440,000 and mature beginning in July 2013 through 2025, with an interest rate ranging from 2.17% to 2.64%. Additionally, the FAU Finance Corporation issued \$120.9 million of Capital Improvement Revenue Bonds (Student Housing Project) Series 2010. The Series 2010 was subsequently refinanced in January 2019, totaling \$90,600,000. This Bond bears an interest rate of 5% through maturity on July 1, 2039.

The FAU Finance Corporation's assets and deferred outflows totaled approximately \$178.5 million and \$186.5 million at June 30, 2019 and 2018, respectively. These balances reflect \$30.3 million and \$46.4 million of deposits with a fiscal agent held in connection with the sale of bonds at June 30, 2019 and 2018, respectively. The FAU Finance Corporation's net revenues totaled approximately \$39.1 million and \$38.3 million representing earnings on funds held with fiscal agent, IRS interest credits, housing revenues, and athletic fees, less unrealized losses for the years ended June 30, 2019 and 2018, respectively. All funds held with fiscal agent are invested in the State of Florida Special Purpose Investment Account (SPIA). Expenses totaled approximately \$33.9 million and \$35.8 million, for the years ended June 30, 2019 and 2018, respectively.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, financial statements and notes thereto, and other required supplemental information or requests for additional financial information should be addressed to the Vice President for Financial Affairs, FAU Finance Corporation, 777 Glades Road, Boca Raton, Florida 33431.

FINANCIAL STATEMENTS

FAU Finance Corporation
Statement of Net Position
June 30, 2019
(with comparative totals as of June 30, 2018)

	2019	2018
Assets:		
Current Assets:		
Cash in bank	\$ 5,813,895	\$ 5,162,758
Cash with fiscal agent - restricted	24,241,835	28,621,893
Due from University - cash collected	1,618,875	1,105,299
Due from University - housing receivable	2,754,620	1,592,706
Due from Foundation	33,127	-
Total current assets	34,462,352	36,482,656
Noncurrent Assets:		
Cash with fiscal agent - restricted	6,094,891	17,764,093
Prepaid land lease and other	8,266,667	8,666,667
Capital assets, on leased land (net of depreciation)	123,139,442	123,574,431
Total noncurrent assets	137,501,000	150,005,191
Total assets	\$ 171,963,352	\$ 186,487,847
Deferred Outflow of Resources:		
Deferred charge on refunding	\$ 6,540,847	\$ -
Liabilities:		
Current Liabilities:		
Accounts payable	\$ 741,490	\$ 532,990
Interest payable	3,537,922	5,479,367
Due to University	1,843,243	2,290,565
Unearned revenue	762,814	1,139,689
Bonds payable - due within one year	4,135,000	5,155,000
Total current liabilities	11,020,469	14,597,611
Long-term liabilities:		
Bonds payable - due in more than one year	168,975,000	189,465,000
Unamortized premiums, net	11,988,958	1,091,169
Total long-term liabilities	180,963,958	190,556,169
Total liabilities	\$ 191,984,427	\$ 205,153,780
Net Position (Deficit):		
Net investment in capital assets	(17,054,004)	(30,620,830)
Restricted for debt service and reserve	9,633,197	20,551,413
Restricted for repair and replacement of capital assets	5,967,228	4,951,198
Unrestricted (deficit)	(12,026,649)	(13,547,714)
Total net position (deficit)	\$ (13,480,228)	\$ (18,665,933)

The accompanying notes to the financial statements are an integral part of these statements.

FAU Finance Corporation
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	2019	2018
Operating Revenues (Expenses):		
Housing revenue	\$ 33,011,388	\$ 32,013,943
Operating expenses	(17,890,315)	(18,839,093)
Depreciation expense	(6,116,463)	(5,701,624)
Total operating income	<u>9,004,610</u>	<u>7,473,226</u>
Nonoperating Revenues (Expenses):		
Athletic revenues	3,100,820	2,948,025
IRS interest credit	1,297,706	2,762,777
Interest income	809,289	771,199
Unrealized gains (losses)	910,722	(207,930)
Contributions to the University, net	(405,196)	(37,026)
Other non-operating expenses	(597,512)	-
Interest expense	(8,934,734)	(11,191,053)
Nonoperating expenses, net	<u>(3,818,905)</u>	<u>(4,954,008)</u>
Changes in net position	5,185,705	2,519,218
Net Position (Deficit):		
Beginning of year	(18,665,933)	(21,185,151)
End of year	<u>\$ (13,480,228)</u>	<u>\$ (18,665,933)</u>

The accompanying notes to the financial statements are an integral part of these statements.

FAU Finance Corporation
Statement of Cash Flows
For the Year Ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	2019	2018
Cash Flow From Operating Activities		
Cash paid to suppliers	\$ (18,126,592)	\$ (18,639,756)
Housing contracts – dormitory fees	31,818,929	31,864,128
Net cash provided by operating activities	13,692,337	13,224,372
Cash Flow From Capital and Related Financing Activities		
Receipt of IRS interest credit	1,297,706	2,638,339
Payment of interest	(9,831,227)	(9,999,327)
Acquisition of capital assets	(5,284,018)	(3,474,935)
Payment of principal	(20,425,000)	(3,930,000)
Unamortized premiums	10,897,788	(47,909)
Deferred charge on refunding	(6,540,847)	-
Net cash used in capital and related financing activities	(29,885,598)	(14,813,832)
Cash Flow From Non-Capital and Related Financing Activities		
Contributions to the University, net	(405,196)	(37,026)
Receipt of IRS interest credit	-	508,668
Payment of interest	(1,044,952)	(1,937,101)
Payment of principal	(1,085,000)	(1,070,000)
Athletic fees	2,207,787	2,312,695
Other non-operating expenses	(597,512)	-
Net cash used in non-capital and related financing activities	(924,873)	(222,764)
Cash Flow From Investing Activities		
Interest received	809,289	771,199
Net cash provided by investing activities	809,289	771,199
Non-Cash Investing Activities		
Unrealized gain (loss) on cash held in SPIA	910,722	(207,930)
Net non-cash provided by (used in) investing activities	910,722	(207,930)
Net decrease in cash	(15,398,123)	(1,248,955)
Cash:		
Beginning of year	51,548,744	52,797,699
End of year	<u>\$ 36,150,621</u>	<u>\$ 51,548,744</u>
Classified as:		
Cash with fiscal agent – restricted (Note 2)	\$ 30,336,726	\$ 46,385,986
Cash in bank	5,813,895	5,162,758
	<u>\$ 36,150,621</u>	<u>\$ 51,548,744</u>

The accompanying notes to the financial statements are an integral part of these statements.

FAU Finance Corporation
Statement of Cash Flows
For the Year Ended June 30, 2019
(continued)
(with comparative totals for the year ended June 30, 2018)

Reconciliation of Operating Income to Net Cash
Provided by Operating Activities:

Net operating income	\$ 9,004,610	\$ 7,473,226
Depreciation expense	6,116,463	5,701,624
Loss on disposal of capital assets	21,445	1,042
(Increase) decrease in due from University, net	(1,192,459)	(149,814)
(Increase) decrease in prepaid land lease and other	400,000	403,500
Increase (decrease) in accounts payable	(69,448)	(741,342)
Increase (decrease) in due to University, net	(588,274)	536,136
Net cash provided by operating activities	<u><u>\$ 13,692,337</u></u>	<u><u>\$ 13,224,372</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 1. Description and Nature of Organization and Significant Accounting Policies

On August 12, 2009, the FAU Finance Corporation (the "Corporation") was incorporated as a not-for-profit organization under the laws of the State of Florida. The Corporation is a direct support organization of the Florida Atlantic University (the "University"), a part of the State university system of public universities. The Corporation has been organized to assist the activities and educational purposes of the University by providing finance and investment-related assistance in connection with the acquisition or construction of capital or other University projects, including but not limited to the structuring of debt relating thereto. The governing body of the Corporation is its Board of Directors (the "Board"). The Board is responsible for managing, supervising and controlling the business, property, affairs and funds of the Corporation. The Directors of the Corporation are appointed in the following manner – (a) one appointed Director shall be the President of the University or the President's designee; (b) one appointed Director shall be appointed by the chair of the University Board of Trustees; and (c) a minimum of three (3) additional Directors shall be appointed by the President of the University and must be approved by the University's Board of Trustees. Each Director must have demonstrated outstanding qualities of leadership or managerial ability. The University's Board of Trustees can unilaterally allow for a decertification of the Corporation and cause for dissolution of the Corporation, resulting in all assets reverting to the University. Consequently, the Corporation meets the criteria for inclusion in the University's reporting entity as a component unit.

A summary of the Corporation's significant accounting policies follows:

Basis of presentation: The Corporation is engaged in a single business-type activity whose operations are primarily supported by user fees and charges. The statements were prepared in accordance with the Government Accounting Standards Board ("GASB") codification section 2100, which establishes standards for defining and reporting of the financial reporting entity. The Corporation maintains a proprietary fund which reports transactions related to activities similar to those found in the private sector. As such, the Corporation presents only the statements required of enterprise funds, which include the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows.

The Corporation previously adopted GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 requires that the statement of net position report assets plus deferred outflows of resources, liabilities plus deferred inflows of resources and the difference between them as net position/deficit. Net position represents the residual interest in the Corporation's assets and consists of three sections: net invested in capital assets, restricted net position and unrestricted net position/deficit. The net position component, net invested in capital assets, consists of all capital assets, net of accumulated depreciation, less the outstanding balances of any outstanding debt that is attributable to the acquisition, construction or improvements of those assets. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 1. Description and Nature of Organization and Significant Accounting Policies (continued)

The accounting and financial reporting treatments applied to a fund are determined by its measurement focus. The Corporation's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The Corporation's revenues are generated primarily from operations of the dormitory and stadium facilities. The Corporation's policy is to use restricted resources first, then unrestricted resources when both are available for use to fund activity.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows/outflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes: The Corporation is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Date of management review: The Corporation's management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through October 4, 2019, the date the financial statements were available to be issued.

Restricted assets: Assets required to be segregated by contractual obligations are identified as restricted assets. Restricted assets at June 30, 2019, represent funding required to be segregated by the Series 2012B – Tax-Exempt Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A – Tax-Exempt Capital Improvement Revenue Bonds (Student Housing Project), Series 2017 – Tax-Exempt Capital Improvement Revenue Refunding Bonds (Football Stadium Project), and Series 2019A – Tax-Exempt Capital Improvement Refunding Revenue Bonds (Student Housing Project) contractual obligations.

Cash: For purposes of the statement of cash flows, cash and cash equivalents include the State of Florida Special Purpose Investments ("SPIA") accounts and cash on hand at the statement date. The fair value of the Corporation's position in the SPIA is the same as the value of the pooled shares. SPIA funds are combined with State funds and invested in various fixed income components. These components include Certificates of Deposit and Securities Lending program as well as short-term liquidity, cash enhanced, conservative core and core strategies. The funds can be withdrawn at any time and are reported at fair value, which seeks to maintain a \$1.00 per share value. The Corporation considers all highly liquid investments with a maturity of 3 months or less when purchased, to be cash equivalents.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 1. Description and Nature of Organization and Significant Accounting Policies (continued)

Prepaid land lease and other: In 2010, the Corporation prepaid to the University the sum of \$12,000,000 which represents the total sum for the ground rent of a facility site located on the Boca Raton Campus of the University on which student housing facilities and related surface parking was constructed. The lease also provided the Corporation with a leasehold interest in certain existing student dormitory housing facilities on the Boca Raton Campus of the University. The original term of the land lease balance was amortized on a straight-line basis over 30 years. In 2019, the Corporation refunded the underlying debt for a shorter period modifying the term of the lease. The prepaid lease balance was amortized on a straight-line basis over the remaining 20 years in conjunction with the new debt. The unamortized prepaid lease balance at June 30, 2019 and 2018 was \$8,266,667 and \$8,666,667, respectively.

Capital assets, on leased land: Capital assets, which include property, plant, and equipment assets, are reported in the statement of net position. The Corporation capitalizes all capital assets with a cost in excess of a \$5,000 threshold and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation on buildings and improvements, furniture, fixtures, and equipment are computed on the straight-line basis over the lesser of the useful life of the asset or the land lease term. Depreciation of buildings and improvements, furniture, fixtures and equipment are being computed over useful lives ranging from 7 to 30 years.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Corporation has one item that qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Corporation does not have any items that qualify for reporting in this category.

Construction in progress: Construction in progress is stated at cost and included costs related to construction and capital projects on the University Dormitories.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 1. Description and Nature of Organization and Significant Accounting Policies (continued)

Unearned revenue: Cash collected in advance for services that have not yet been provided. Stadium ticket revenues collected in advance are deferred until the relevant football season has commenced in which period the revenue is then recognized.

Bond premium: Bond premiums are amortized using the effective interest method over the life of the related bond.

Expenses: Operating expenses are those costs incurred for the day to day operation of the Corporation. All other expenses, including contributions made to the University, are reported as non-operating expenses.

Operating expenses as reported on the statement of revenues, expenses and changes in net position is comprised of the following categories of expenses:

Category	2019	2018
Salaries and benefits	\$ 7,024,596	\$ 6,291,989
Utilities	2,119,631	2,171,569
Repairs and maintenance	1,542,064	1,292,292
Communications	404,898	735,977
Supplies	687,361	561,165
Institutional support	1,475,000	4,100,000
Other operating costs	4,636,765	3,686,101
	<u>\$ 17,890,315</u>	<u>\$ 18,839,093</u>

Revenues: Operating Revenues – Housing contract dormitory revenues are recognized in the period in which housing is provided to students.

Nonoperating revenues – In general, athletic fees are recognized in the period in which goods/services are provided and when seating is made accessible for stadium facility events. IRS interest credit revenue is recognized in the period in which related interest expense is incurred and reported in the financial statements. Contributions from University, including capital contributions, are recognized as revenues when eligibility requirements are met. Interest income and related gains (losses) are recognized in the period earned.

Reclassifications: Certain reclassification have been made to the 2018 financial statement presentation to correspond to the current year's format. Total net position and changes in net position are unchanged due to these reclassifications.

Note 2. Cash

Investments: The Corporation is authorized to invest in State of Florida Special Purpose Investment Accounts (SPIA), U.S. Treasury Bills, Notes, Bonds and Strips and other obligations whose principal interest is fully guaranteed by the United States of America or any of its agencies or instrumentalities, Government Sponsored Enterprises, Asset-Backed Securities rated "AAA" by either S&P or Moody's, Money Market Instruments rated "A1/P", Corporate Notes rated single A or higher, Money Market Funds registered with the Securities and Exchange Commission (SEC) or other investments authorized by the Corporation's Board of Directors.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 2. Cash (continued)

SPIA pooled investments with the State Treasury are not registered with the SEC. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.575, Florida Statutes. SPIA pooled investments are recorded at fair value based on net asset value of the pool, which is consistent with the treatment of "2a-7 like" pool.

The Corporation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the Corporation's recurring fair value measurements as of June 30, 2019 and 2018, are valued based on the Corporation's share of the pool (Level 3 inputs).

Cash and investments with fiscal agent are amounts restricted by debt agreements and are held in the following accounts at June 30, 2019 and 2018:

Account	Noncurrent	Current	2019 Total	2018 Total
Construction Fund	\$ 744,665	\$ -	\$ 744,665	\$ 1,480,908
Revenue Fund	-	116	116	322
Debt Service Fund	-	7,820,893	7,820,893	10,832,596
Reserve Fund	5,350,226	-	5,350,226	16,283,185
Repair and Replacement Fund	-	5,967,228	5,967,228	4,951,198
Surplus Fund*	-	10,453,303	10,453,303	12,837,777
Athletic Fee	-	295	295	-
Total	\$ 6,094,891	\$ 24,241,835	\$30,336,726	\$ 46,385,986

* The Corporation segregates funds from the Surplus Fund for housing repair purposes in addition to debt agreement restrictions on repair and replacement funds. The balance internally restricted for Housing Repair purposes was \$195,780 and \$1,090,778 for fiscal years 2019 and 2018, respectively.

Interest rate risk: Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Corporation's investment policy does have a provision which limits investment maturity as a mean of managing exposure to fair value losses arising from increasing interest rates. Information about the sensitivity of the fair value of the Corporation's investments and market interest rate fluctuations is provided by the following table that shows the distribution of the Corporation's investments by effective duration at June 30, 2019 and 2018:

Investment Type	2019 Fair Value	2019 Effective Duration (In Years)	2018 Fair Value	2018 Effective Duration (In Years)
State of Florida Special Purpose Account (SPIA)	\$30,336,726	2.71	\$46,385,986	3.00

Note 2. Cash (continued)

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Corporation's investment policy limits credit risk by requiring all fixed-income securities to be rated as single A or better. As a SPIA participant, the Corporation invests in the Florida Treasury Investment Pool. The Florida Treasury Pool is rated AA-f and A+f as of June 30, 2019 and 2018, respectively.

Foreign currency risk: State law and investment policy do not authorize the Treasury Investment Pool to purchase investments in foreign currencies; therefore, the Treasury Investment Pool is not exposed to foreign currency risk.

Custodial credit risk: Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. It is the Corporation's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Under Florida statutes, Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution, eligible collateral to equal between 50% and 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. government and agency securities, state or local government debt, corporate bonds) to public deposits is dependent upon the depository institution's financial history and its compliance with Florida Statutes, Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (for example, a broker-dealer) to a transaction, an entity will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Consistent with the Corporation's investment policy, the investments are held by the Corporation's custodial institution and registered in the Corporation's name. Investments in the State of Florida Special Purpose Investment funds are not subject to custodial credit risk.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 3. Capital Assets, on Leased Land

The following is a summary of changes in capital asset balances for the year ended June 30, 2019:

Asset	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Construction in progress	\$ 3,291,604	\$ 5,244,381	\$ (8,279,945)	\$ 256,040
Buildings and improvements	152,089,139	367,908	8,279,945	160,736,992
Furniture, fixtures and equipment	1,538,145	90,630	(40,211)	1,588,564
Property and equipment, gross	156,918,888	5,702,919	(40,211)	162,581,596
Less accumulated depreciation	(33,344,457)	(6,116,463)	18,766	(39,442,154)
Property and equipment, net	<u>\$ 123,574,431</u>	<u>\$ (413,544)</u>	<u>\$ (21,445)</u>	<u>\$ 123,139,442</u>

Note 4. Bonds Payable

Series 2012A – Tax-Exempt Capital Improvement Revenue Bonds (Parliament Hall)

The Series 2012A – Capital Improvement Revenue Bonds in the amount of \$46,205,000 were issued in July 2012 for construction of Student Housing Project – Parliament Hall dormitories. The bonds mature beginning in July 2014 through 2042, with interest rates ranging from 3% to 5%.

Interest is paid semiannually on each January 1 and July 1. Principal on the debt is paid annually commencing January 2014 through July 2042.

Series 2012B – Tax-Exempt Capital Improvement Revenue Bonds (Innovation Village)

The Series 2012B – Capital Improvement Revenue Bonds (Student Housing Project) in the amount of \$3,440,000 were issued in November 2012. The bonds mature beginning in July 2013 through 2025, with an interest rate ranging from 2.17% to 2.64% as of June 30, 2019.

Interest is paid semiannually on each January 1 and July 1. Principal on the debt is paid annually commencing January 2013 through July 2025.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 4. Bonds Payable (continued)

Series 2017 – Tax-Exempt Capital Improvement Revenue Refunding Bonds (Football Stadium)

Previously, the Corporation issued \$44,500,000 of Taxable Capital Improvement Revenue Bonds (BAB Bonds), Series 2010, maturing in 2040, with an interest rate of 5.78%. The Bonds were issued in connection with construction of a 30,000 seat stadium facility, parking improvements, and other associated athletic and onsite and offsite infrastructure improvements and projects. On August 30, 2017, the Corporation issued Capital Improvement Refunding Revenue Bonds (Football Stadium Project), Series 2017, amounting to \$40,035,000, to refund the then outstanding Series 2010 Bonds. At August 30, 2017, the Series 2010 Bonds were considered retired/fully defeased. The Series 2017 Bonds bear interest at a 10-year fixed rate of 2.61%, subject to adjustment through maturity.

Interest is paid semiannually on each January 1 and July 1. Principal on the debt is paid annually commencing July 2018 through July 2040.

The Corporation is required to adopt an operating budget for each fiscal year covering all operations and operating expenses of the project which shall assure that pledged revenues will exceed all contemplated expenses by at least 25%. In addition, the Corporation is required to certify on a bi-annual basis that the operating and nonoperating revenues from the previous twelve month period are sufficient to cover at least 125% of an amount equal to the annual bond service requirements.

Series 2019A – Tax-Exempt Capital Improvement Refunding Revenue Bonds (Innovation Village)

Previously, the Corporation issued \$112,455,000 of Taxable Capital Improvement Revenue Bonds, Series 2010A maturing in 2040, with interest rates ranging from 5.48% to 7.64%. The bonds were issued in connection with the construction of the Innovation Village Dormitory facility. On January 19, 2019, the Corporation issued Tax-Exempt Capital Improvement Refunding Revenue Bonds (Innovation Village), Series 2019A for \$90,600,000, to advance refund the then outstanding 2010A Series Bonds. At January 19, 2019, the Series 2010A Bonds were considered retired/legally defeased in substance. The defeased bonds at June 30, 2019 had an outstanding balance of \$101,030,000. This amount will be fully retired by July 2020. The Series 2019A bear interest at a fixed rate of 5.0% through maturity on July 1, 2039.

Interest is paid semiannual on each January 1 and July 1. Principal on the debt is paid annually commencing on July 2019 through July 2039.

The Corporation refunded the Series 2010A to reduce its total debt service payments over the next twenty years by approximately \$14,400,000 and to obtain an economic gain of approximately \$10,400,000.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 4. Bonds Payable (continued)

The Corporation is required to establish and collect fees, rentals and other charges from students, faculty members and others, in order for the net revenues available for debt service to be sufficient to cover at least 125% of the amount equal to the annual bond service requirement for the Series 2010A, 2012A&B, and 2019A student housing bonds, net of direct pay subsidies expected to be received on each respective interest payment date.

The following is a summary of changes in long-term obligations for the year ended June 30, 2019:

Debt	Beginning Balance	Additions	Repayments	Ending Balance	Due Within One Year
Bonds, Series 2010A Innovation Village	\$ 109,755,000	\$ -	\$ 109,755,000	\$ -	\$ -
Bonds, Series 2012A Parliament Hall	42,560,000	-	1,005,000	41,555,000	1,045,000
Bonds, Series 2012B Innovation Village	2,270,000	-	265,000	2,005,000	270,000
Bonds, Series 2017 Stadium	40,035,000	-	1,085,000	38,950,000	1,330,000
Bonds, Series 2019A Innovation Village	-	90,600,000	-	90,600,000	1,490,000
	<u>\$ 194,620,000</u>	<u>\$ 90,600,000</u>	<u>\$ 112,110,000</u>	<u>\$ 173,110,000</u>	<u>\$ 4,135,000</u>

The Corporation's expected debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	2019 Total
2020	\$ 4,135,000	\$ 7,127,000	\$ 11,262,000
2021	5,570,000	7,020,989	12,590,989
2022	5,795,000	6,785,398	12,580,398
2023	6,025,000	6,542,631	12,567,631
2024	6,275,000	6,283,209	12,558,209
2025-2029	34,420,000	27,290,194	61,710,194
2030-2034	41,465,000	19,315,207	60,780,207
2035-2039	50,995,000	9,414,023	60,409,023
2040-2043	18,430,000	1,163,527	19,593,527
Total	<u>\$ 173,110,000</u>	<u>\$ 90,942,178</u>	<u>\$ 264,052,178</u>

The previous table does not include the \$11,988,958 and \$1,091,169 in unamortized bond premiums in the total principal outstanding for the years ended June 30, 2019 and 2018, respectively.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 4. Bonds Payable (continued)

Pledged Revenue

The Corporation has pledged revenues to repay bonds outstanding as of June 30, 2019. The following table reports the revenues pledged for each debt issue, the amounts of such revenue received in the current year (net of operating expenses), the principal and interest recorded on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds at June 30, 2019:

Debt Issue	Pledged Revenue	Net Available* Revenue	Principal and ** Interest Recorded	Outstanding*** Principal and Interest	Pledged Through
Bonds, Series 2012A & 2012B					2025 -
Parliament Hall & Innovation Village	Housing Revenues	\$ 10,642,336	\$ 3,119,791	\$ 68,707,595	2042
Bonds, Series 2017 Stadium	Athletic Revenues	\$ 3,100,820	\$ 2,360,714	\$ 51,370,258	2040
Bonds, Series 2019A	Housing Revenues	\$ 13,282,718	\$ 6,291,524	\$ 143,974,325	2039

*Net available revenues are defined as recognized revenue less applicable operating expenses. In addition, the amount includes reserve fund interest and repair and replacement expense per bond trust indenture.

**Federal subsidiaries are netted in this calculation.

***Represents principal and interest payments outstanding from 7/1/2019 and beyond.

The Corporation's bonds are collateralized by pledged revenues which is defined as cash collected from usual operating activities less cash paid for operating expenses. Issuance of the bond does not directly obligate the University. However, in the event of default, the trust indenture requires liquidation of net assets equivalent to the current year's debt service.

Note 5. Commitments

Operating lease: The Corporation leases land and leasehold interests under a non-cancelable operating lease agreement dated March 4, 2010 with Florida Atlantic University with terms extending through July 2039. The lease was prepaid in March 2010 by the Corporation to Florida Atlantic University for the sum of \$12,000,000 which represents the total sum for the ground rent of the facility site located on the Boca Raton Campus of the University upon which the Corporation constructed student housing facilities and related surface parking. The lease is being amortized to rent expense over the life of the lease. The total rental expense for the years ended June 30, 2019 and 2018 was \$400,000, respectively.

FAU Finance Corporation
Notes to Financial Statements
June 30, 2019
(with comparative totals for the year ended June 30, 2018)

Note 6. Stadium Operating Agreement

Previously, the University and the Corporation entered into an operating agreement whereby the Corporation issued Series 2010 – Taxable Capital Improvement Revenue Bonds to finance the acquisition, installation and construction of a 30,000 seat stadium facility (parking improvements, and other associated athletic and onsite and offsite infrastructure improvements and projects) (thereafter “facility”) and the University agreed to operate and manage the facility for use as an athletic stadium to generate revenue to service the related debt. The Series 2010 Bonds were subsequently refinanced by the Series 2017 Tax-Exempt Capital Improvement Revenue Refunding Bonds, in August 2017. The University and the Corporation entered into a new operating agreement in August 2017, whereby, the University continues to operate and manage the facility for use as an athletic stadium to generate revenue to service the related debt. Under the terms of the operating agreement, the University will collect and deposit all pledged revenues from operations of the facility in specified accounts as defined in the bond trust indenture agreement. The operating agreement will terminate on the date all obligations of the Corporation and University under the bond trust indenture agreement have been fulfilled which is expected to be July 2040 (maturity date of the bonds).

Note 7. Related Party Transactions

Due to University

Certain construction and related costs are paid for by the University and then reimbursed by the Corporation. The balance due to the University related to these costs at June 30, 2019 and 2018, amounted to \$1,843,243 and \$2,290,565, respectively. The University provides personnel and administrative support to the Corporation to aid in its operation. The costs of these services are not material to the Corporation, and therefore are not recognized in these financial statements.

Due from University

At June 30, 2019 and 2018, the University owed the Corporation \$4,373,495 and \$2,698,005 respectively, for amounts collected and to be collected on behalf of the Corporation.

Due from Foundation

At June 30, 2019, the FAU Foundation owed the Corporation \$33,127, for amounts collected on behalf of the Corporation for premium seating contributions and capital gifts. There was no amount due from the Foundation at June 30, 2018.

OTHER REPORTS FROM
INDEPENDENT AUDITORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
FAU Finance Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of FAU Finance Corporation (the "Corporation"), a direct support organization and component unit of Florida Atlantic University, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 4, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
October 4, 2019

FAU FINANCE CORPORATION

Item: 3

BOARD OF DIRECTORS

Monday, October 14, 2019

SUBJECT: REQUEST FOR APPROVAL OF THE 2020-21 HOUSING BUDGET AND RENTAL RATES.

PROPOSED BOARD ACTION

Review and recommend approval of the proposed Housing rental rates and projected budget for 2020-21.

BACKGROUND INFORMATION

The Department of Housing and Residential Life is not proposing any rate increases for the 2020-21 fiscal year.

Supporting Documentation: Housing Powerpoint Presentation

Presented by: Mr. Art Kite, Deputy CFO



FLORIDA ATLANTIC UNIVERSITY

YOUR
FUTURE
AWAITS

**Division of Student Affairs and Enrollment Management
Department of Housing and Residential Education**

FAUFC

Housing Updates / Budget Proposal



Occupancy Evaluation

	Actual FY14	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20
Total Revenue (Available beds)	4,102	4,055	4,165	4,165	4,165	4,165	4,078
4 th week of classes	3,617	3,512	3,988	4,117	4,182	4,361	4,132
% Occupancy	88.2%	86.6%	95.9%	98.8%	100.4%	104.7%	102.9%



Revenue & Expense Analysis

FAU Finance Corporation							
Housing FY2020-21 Budget Summary	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Budget FY20	Proposed FY21
OPERATING REVENUES:							
Resident Housing Fees	30,026,721	34,591,281	36,053,816	36,579,297	37,720,997	36,491,028	36,652,978
Student Repair Fees	85,865	85,361	101,005	70,043	92,939	66,672	47,700
Application Fees	-	316,500	291,400	351,100	335,701	360,000	360,000
Conference/Guest Housing Fees/Orientation	720,315	427,413	340,280	400,452	241,302	505,129	315,000
Interest Income	52,287	186,660	200,736	54,230	628,978	54,231	3,769
TOTAL OPERATING REVENUES	30,885,188	35,607,215	36,987,237	37,455,122	39,019,917	37,477,060	37,379,447
TOTAL OPERATING EXPENSES	10,746,562	11,516,646	12,016,750	12,190,739	11,843,117	15,781,413	15,555,728
TOTAL NON-OPERATING EXPENSES (R&R and Overhead)	913,415	1,610,881	1,561,063	1,776,527	3,849,100	3,753,517	5,382,027
TOTAL EXPENSES	11,659,977	13,127,527	13,577,813	13,967,266	15,692,217	19,534,930	20,937,756
TOTAL DEBT SERVICE	17,068,930	17,090,381	16,909,447	17,117,843	14,785,558	15,612,175	15,726,679
NET REVENUES OVER EXPENSES	2,156,281	5,389,307	6,499,977	6,370,014	8,542,142	2,329,955	715,012
Budgeted Occupancy	87%	91%	93%	94%	96%	100%	100%
Occupancy Rate as reported 4th Week of Classes	87%	96%	99%	100%	105%	103%	N/A
DBF Budgeted Debt Service Coverage Ratio	1.30	1.49	1.29	1.27	2.13	1.49	1.73
DBF Actual Continuing Disclosure Debt Service Coverage	1.26	1.48	1.62	1.93	1.80	1.38	1.53



FY21 Proposed Hotel Program

• Total Revenue	\$ 951,600
• Hotel Lease (50 Rooms)	\$1,378,950
• Operating/ OH Expenses	\$ 22,640
• Algonquin Expense Savings	\$ 300,000



Housing FY 20-21 Budget

Florida Atlantic University Finance Corporation

Housing FY 20-21 Budget

OPERATING REVENUES:	Algonquin	UVA	IRT	HPT	GPT	IVAN	IVAS	PAR	Off Campus	Total FY21	Admin.	Total FY21
Resident Housing Fees	-	3,679,200	4,789,850	3,761,400	4,536,044	7,607,798	6,272,756	5,074,330	951,600	36,652,978	-	36,652,978
Student Repair Fees	-	4,050	4,050	4,050	4,050	10,500	10,500	10,500	-	47,700	-	47,700
Application Fees	-	-	-	-	-	-	-	-	-	-	360,000	360,000
Conference/Guest Housing Fees	-	15,000	200,000	-	100,000	-	-	-	-	315,000	-	315,000
Interest Income	-	528	1,055	754	1,432	-	-	-	-	3,769	-	3,769
TOTAL OPERATING REVENUES	-	3,698,778	4,974,955	3,766,204	4,641,526	7,618,298	6,283,256	5,084,830	951,600	37,019,447	360,000	37,379,447
OPERATING EXPENSES:	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and Benefits - OPERATIONS	-	404,579	349,928	328,357	407,023	443,382	445,013	445,013	1,214,000	4,037,295	1,452,100	5,489,395
OPS - OPERATIONS	-	140,000	200,000	225,000	235,000	235,000	245,500	140,000	10,440	1,430,940	200,000	1,630,940
Management Fee - OPERATIONS	-	77,365	104,125	103,268	103,268	103,268	102,753	18,398	-	612,959	-	612,959
Utilities - OPERATIONS	-	355,640	154,667	166,307	117,107	451,920	307,320	420,240	-	1,973,201	125,200	2,098,401
Maintenance - OPERATIONS	-	183,108	258,084	127,469	139,608	173,904	161,536	138,718	-	1,182,425	11,855	1,194,280
Service Contracts - OPERATIONS	-	114,286	124,286	124,286	124,286	124,286	114,286	114,286	200	852,000	157,760	1,009,760
Admin and Supplies - OPERATIONS	-	15,415	17,615	16,483	19,483	16,844	16,844	15,971	12,000	118,854	121,657	240,511
Marketing and Printing - OPERATIONS	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	7,000	100,000	107,000
Training & Development - DEPARTMENTAL	-	6,716	6,716	6,716	6,716	6,716	6,716	6,716	-	47,012	29,008	76,020
Technology - DEPARTMENTAL	-	15,000	15,000	15,000	25,000	35,000	35,000	35,000	-	175,000	45,000	220,000
Residential Life - DEPARTMENTAL	-	8,000	10,000	10,000	20,000	20,000	20,000	20,000	-	108,000	145,000	253,000
Academic Partnerships/Initiatives - DEPARTMENTAL	-	17,500	17,500	17,500	17,500	17,500	17,500	17,500	-	122,500	47,500	170,000
Maintenance/R&R/PD Costs - DEPARTMENTAL	-	85,944	81,396	81,396	81,396	81,492	81,492	81,396	-	574,512	300,000	874,512
Off Campus Hotel/Contingency - DEPARTMENTAL	-	-	-	-	-	-	-	-	1,578,950	1,578,950	-	1,578,950
TOTAL OPERATING EXPENSES	-	1,424,552	1,340,317	1,222,781	1,297,386	1,710,826	1,554,959	1,454,237	2,815,990	12,820,648	2,735,080	15,555,728
Net Operating Revenue Over Operating Expense	-	2,274,226	3,634,638	2,543,423	3,344,140	5,907,472	4,728,297	3,630,593	(1,863,990)	24,198,799	(2,375,080)	21,823,719
Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Repair and Replacement Fund	-	73,584	95,397	75,228	90,721	139,056	139,056	151,029	-	764,071	-	764,071
Capital projects	-	-	1,500,000	481,500	-	-	-	-	-	1,981,500	500,000.00	2,481,500.00
Overhead	-	42,464	50,164	52,512	55,329	59,835	59,882	49,975	116,120	486,282	250,009	736,291
Student Affairs Allocation - Transfers Out	-	162,153	218,243	216,443	216,443	217,522	215,364	154,000	-	1,400,166	-	1,400,166
TOTAL NON-OPERATING EXPENSES	-	278,201	1,863,802	825,683	362,493	416,413	414,302	355,004	116,120	4,632,019	750,009	5,382,027
TOTAL EXPENSES	-	1,702,754	3,204,119	2,048,464	1,659,878	2,127,239	1,969,261	1,809,241	2,931,710	17,452,667	3,485,089	20,937,756
Net Revenue Over Expenses	-	1,996,024	1,770,836	1,717,740	2,981,648	5,491,059	4,313,995	3,275,589	(1,980,110)	19,566,780	(3,125,089)	16,441,691
DEBT SERVICE:	-	-	-	-	-	-	-	-	-	-	-	-
Principle	-	679,213	915,000	995,788	775,000	1,490,000	1,490,000	1,415,000	-	7,760,000	-	7,760,000
Interest	-	246,706	575,000	361,694	838,400	2,124,900	2,124,900	1,695,079	-	7,966,679	-	7,966,679
Babs Subsidy	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	-	925,919	1,490,000	1,357,481	1,613,400	3,614,900	3,614,900	3,110,079	-	15,726,679	-	15,726,679
Net Revenue Over Expenses before Depreciation	-	1,070,106	280,836	360,259	1,368,248	1,876,159	699,095	165,510	(1,980,110)	3,840,101	(3,125,089)	715,012
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	6,000,000	6,000,000
TOTAL REVENUES OVER EXPENSES	-	1,070,106	280,836	360,259	1,368,248	1,876,159	699,095	165,510	(1,980,110)	3,840,101	(9,125,089)	(5,284,988)
Bed Design	-	-	-	-	-	-	-	-	-	-	-	-
Total Bed Design	-	544	607	602	602	605	599	612	93	4,264	-	4,264
Less Non-Revenue Beds:	-	-	-	-	-	-	-	-	-	-	-	-
Staff	-	1	1	-	-	1	2	-	1	-	6	6
Tour Rooms	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue Bed Design	-	543	606	602	602	604	597	612	92	4,258	-	4,258

FLORIDA ATLANTIC UNIVERSITY



FY21 Capital Projects - \$2.5 Million

• IRT Roof	\$1,500,000
• HPT Elevator	\$ 225,000
• HPT Fan Coil Replacement	\$ 250,000
• Other	\$ 500,000



FAU FINANCE CORPORATION

Item: 4

BOARD OF DIRECTORS

Monday, October 14, 2019

SUBJECT: HOUSING REPORT AS OF SEPTEMBER 30, 2019.

PROPOSED BOARD ACTION

Information only.

BACKGROUND INFORMATION

The interim financial data of the Florida Atlantic University Finance Corporation (FAUFC) is presented to keep the Board of Directors informed about the financial status of the FAUFC.

Supporting Documentation: FAU Housing System – Financial Comparisons

Presented by: Mr. Art Kite, Deputy CFO

FAU Housing System

For the Period Ended August 31, 2019

BUDGET vs. ACTUAL (FY20)	Annual Budget FY20	YTD FY20 (16.67%)	Budget vs. Actual % Variance
Total Revenues	37,477,060	17,367,681	46%
Operating Expenses:			
Payroll	6,515,747	922,645	14%
Other Expenses	9,265,666	1,533,737	17%
Total Operating Expenses	15,781,413	2,456,382	16%
Non-Operating Expenses			
Reserves	750,972	124,912	17%
Overhead	1,902,380	336,256	18%
Capital Projects *	900,000	-	0%
Total Non-Operating Expenses	3,553,352	461,168	13%
Total Expenses	19,334,766	2,917,550	15%
Revenue over Expense	18,142,294	14,450,131	80%

YEAR OVER YEAR CHANGE (FY20 vs. FY19)	YTD FY19(16.67%)	YTD FY20 (16.67%)	FY20 vs. FY19 \$ Variance
Total Revenues	18,051,893	17,367,681	(684,212)
Operating Expenses:			
Payroll	1,233,735	922,645	(311,090)
Other Expenses	1,036,687	1,533,737	497,050
Total Operating Expenses	2,270,421	2,456,382	185,961
Non-Operating Expenses			
Reserves	183,229	124,912	(58,317)
Overhead	121,399	336,256	214,857
Capital Projects *	45,936	-	(45,936)
Total Non-Operating Expenses	350,564	461,168	110,604
Total Expenses	2,620,986	2,917,550	296,565
Revenue over Expense	15,430,907	14,450,131	(980,777)

* Capital Projects are presented for budget puposes only. Capital projects are capitalized and included on the Balance Sheet.

FAU FINANCE CORPORATION

Item: 5

BOARD OF DIRECTORS

Monday, October 14, 2019

SUBJECT: A RESOLUTION AUTHORIZING THE FINANCING OF NEW STUDENT HOUSING FACILITIES AND AUTHORIZING THE ADVANCE REFUNDING OF CERTAIN OUTSTANDING CAPITAL IMPROVEMENT REVENUE BONDS.

PROPOSED BOARD ACTION

Approve a resolution approving the financing of certain housing facilities located on the Boca Raton campus and Jupiter campus of FAU and authorizing the advance refunding of certain outstanding capital improvement revenue bonds pertaining to the financing of Parliament Hall, in total not to exceed an aggregate principal amount of \$123,500,000.

BACKGROUND INFORMATION

Facility:

New – Building Student Housing on Boca (616 beds) and Jupiter (165 beds)
Advance Refunding Series 2012A Capital Improvement Revenue Funds for Student Housing
Parliament Hall

Purpose:

New issuance Student Housing Series 2019B (\$78,500,000)
Advance Refunding of Series 2012A to achieve an estimated net present value savings of \$3,353,035 (8.28%) Series 2019C (\$45,000,000)

Rating Agency:

New issuance and Advance Refunding – Fitch A+ for both, Moody's A1 for both

Supporting Documentation: Resolution/Preliminary Official Statement/Financing Summary

Presented by: Mr. Art Kite, Deputy CFO

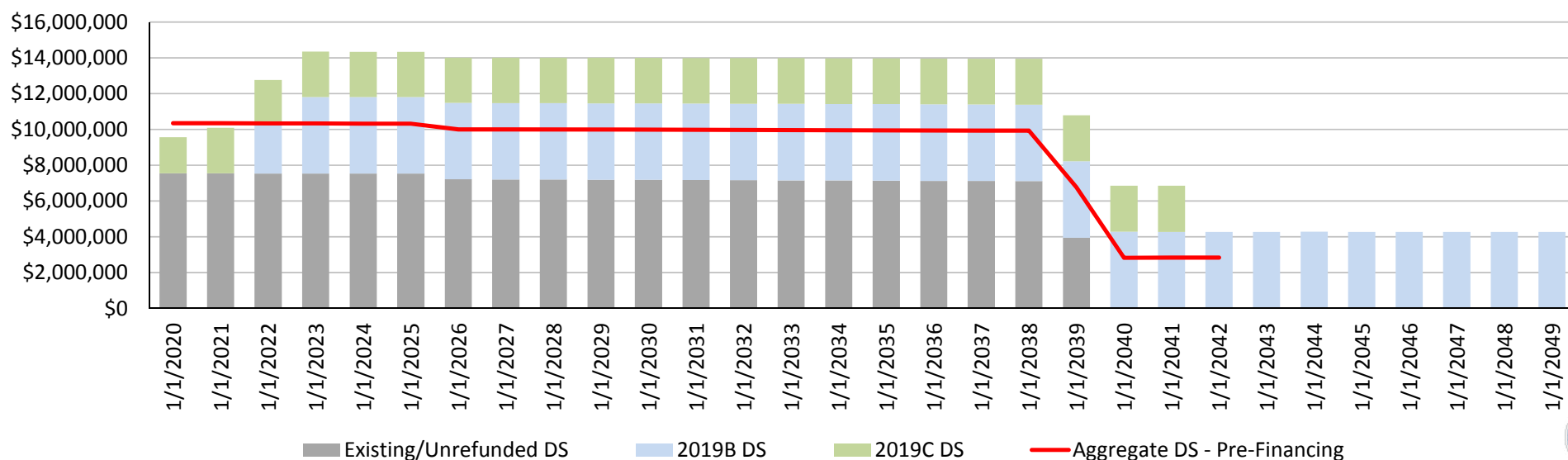
FAU Finance Corporation

Summary of Financing

Estimated Sources & Uses of Funds				
	Tax-Exempt Capital Improvement Bonds, Series 2019B		Taxable Refunding Bonds, Series 2019C	Total
Sources of Funds:				
Par Amount	\$	63,650,000	\$ 40,855,000	\$ 104,505,000
Bond Premium		14,847,012	-	14,847,012
Prior Debt Service Fund		-	620,785	620,785
Prior Debt Service Reserve Fund		-	2,775,063	2,775,063
Total	\$	78,497,012	\$ 44,250,848	\$ 122,747,860
Uses of Funds:				
Project Fund Deposits				
Boca Phase 1 Project Fund	\$	54,098,875	\$ -	\$ 54,098,875
Jupiter Phase 1 Project Fund		15,154,675	-	15,154,675
Additional Proceeds		2,247,238	-	2,247,238
Capitalized Interest Fund		6,624,209	-	6,624,209
Refunding of 2012A Bonds		-	44,006,932	44,006,932
Estimated Cost of Issuance		372,015	243,916	615,930
Total	\$	78,497,012	\$ 44,250,848	\$ 122,747,860

Preliminary Financing Statistics	
Capital Improvement Bonds, Series 2019B	
Par Amount of 2019B Bonds	\$ 63,650,000
Project Fund Deposit	\$ 71,500,788
All-in True Interest Cost	3.36%
Average Life (yrs)	19.2
Average Annual Debt Service	\$ 4,232,018
Final Maturity	7/1/2049
Refunding Bonds, Series 2019C	
Par Amount of 2019C Bonds	\$ 40,790,000
All-in True Interest Cost	3.00%
Average Life (yrs)	12.3
Final Maturity	7/1/2041
Refunded 2012A Bond Par	\$ 40,510,000
Avg. Coupon of Refunded 2012A Bonds	4.32%
Total Cash Flow Savings	\$ 4,352,850
Average Annual Cash Flow Savings	\$ 200,000
Net PV Savings	\$ 3,353,035
Net PV Savings (% of Refunded Par)	8.28%

Net Debt Service



Note: Preliminary, subject to change; for indicative purposes only; interest rates as of 10/7/19.



RESOLUTION

A RESOLUTION OF THE FAU FINANCE CORPORATION APPROVING THE FINANCING OF CERTAIN STUDENT HOUSING FACILITIES LOCATED ON THE BOCA RATON CAMPUS AND THE JUPITER CAMPUS OF FLORIDA ATLANTIC UNIVERSITY; AUTHORIZING THE ADVANCE REFUNDING OF CERTAIN OUTSTANDING CAPITAL IMPROVEMENT REVENUE BONDS; AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF CAPITAL IMPROVEMENT REVENUE BONDS FOR SUCH PURPOSES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$123,500,000; 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 BONDS IN ACCORDANCE WITH THE PARAMETERS SET FORTH HEREIN AND INCLUDING AUTHORIZING THE DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO SUCH 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 AN AMENDMENT TO THE GROUND SUBLEASE AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING; AN ESCROW DEPOSIT AGREEMENT, A DEVELOPMENT AGREEMENT WITH GREYSTAR DEVELOPMENT SERVICES, LLC AND CERTAIN OTHER RELATED DOCUMENTS; APPOINTING THE UNDERWRITER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the FAU Finance Corporation (the "Finance Corporation") desires to finance the acquisition, construction and installation of two new student housing facilities which are to be located on the Boca Raton campus and the Jupiter campus of the Florida Atlantic University (the "University") together with the costs of related infrastructure (the "Project"); and

WHEREAS, the Finance Corporation previously issued its Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A (the "Refunded Bonds") pursuant to the terms of a Trust Indenture (the "Trust Indenture") by and between the Finance Corporation and U.S. Bank National Association, as trustee (the "Trustee") and has determined to advance refund the Refunded Bonds on a taxable basis to achieve debt service savings; and

WHEREAS, the Finance Corporation has heretofore determined that the most appropriate way of financing the Project and to refund all or a portion of the Refunded Bonds is to issue two series of its Capital Improvement Revenue Bonds (Student Housing Project) in an

aggregate principal amount not to exceed \$123,500,000.00 pursuant to the terms of the Trust Indenture; and

WHEREAS, the Finance Corporation desires to enter into a Development Agreement with Greystar Development Services, LLC (the “Developer”) to manage the construction, installation and equipping of the Project; 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.

“**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 2019B Bonds and the 2019C Bonds.

“**Chairperson**” means the Chairperson of the Finance Corporation and, in the Chairperson’s absence or unavailability, either the Vice Chair or the Executive Director, 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.

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

“**Project**” means the acquisition, construction and installation of a new student housing facility containing approximately 616 beds in suite-style and apartment-style configuration and include associated living-learning, academic, social and recreational amenities located on the Boca Raton campus and the acquisition, construction and installation of a new student housing facility containing approximately 165 beds in suite-style and apartment-style configuration and

include associated living-learning, academic, social and recreational amenities located on the Jupiter campus together with costs of capital infrastructure related to the housing facilities.

"Second Amendment to Ground Sublease Agreement" means the Second 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.

"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 2019B Bonds" means the Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B.

"Series 2019C Bonds" means the Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C.

"Trust Indenture" means the Trust Indenture dated as of July 1, 2012 between the Finance Corporation and the Trustee, as amended and supplemented.

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

"Underwriters" means B of A Securities, Inc. and Raymond James & Associates, Inc.

"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 and refund all or a portion of the Refunded Bonds to achieve debt service savings 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 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, and (iii) moneys on deposit in the funds and accounts established hereunder and investment earnings thereon, but excluding moneys on deposit in the 2019 Rebate Account and the Cost of Issuance Fund.

(E) Due to the present volatility of the market for obligations such as the Bonds, the infrequent issuance by the Finance Corporation 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.

(F) The Finance Corporation has been advised by its Financial Advisor as to the market appropriateness of preparing for the purchase proposal of the Underwriters 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.

(G) 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 AND REFUNDING OF THE REFUNDED BONDS. The Finance Corporation hereby authorizes the financing of the Project and the advance refunding of all or a portion of the Refunded Bonds in accordance with the terms of the Trust Indenture.

SECTION 5. APPROVAL OF THIRD SUPPLEMENTAL TRUST INDENTURE. The Finance Corporation hereby authorizes and directs the Chairperson or the Executive Director to execute the Third Supplemental Trust Indenture, and the Secretary to attest the same under the seal of the Finance Corporation, and to deliver the Third Supplemental Trust Indenture to the Trustee for execution. The Third Supplemental 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 Bonds to the Underwriters 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 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 \$78,500,000 initial aggregate principal amount of Series 2019B Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of 0.30% of the par amount of the Series 2019B Bonds, (iii) the maturities of the Series 2019B Bonds no later than July 1, 2049, (iv) a true interest cost on the Series 2019B Bonds not in excess of 5.00% per annum, (v) the issuance of not exceeding \$45,000,000 initial aggregate principal amount of Series 2019C Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of 0.30% of the par amount of the Series 2019C Bonds, (iii) the maturities of the Series 2019C Bonds no later than July 1, 2042, (iv) present value of debt service savings of at least 5% of the debt service with respect to the Refunded Bonds 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 SECOND AMENDMENT TO GROUND SUBLEASE AGREEMENT. The Corporation hereby authorizes and directs the Chairperson or the Executive Director to execute the Second Amendment to Ground Sublease Agreement, and the Secretary to attest the same under the seal of the Finance Corporation and to deliver the Second Amendment to Ground Sublease Agreement to the University for execution. The Second 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 Second Amendment to Ground Sublease Agreement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 8. APPROVAL OF DEVELOPMENT AGREEMENT. The Finance Corporation hereby authorizes and directs the Chairperson or Executive Director to execute the Development Agreement, and the Secretary to attest the same under the seal of the Finance Corporation and to deliver the Development Agreement to the Developer for execution. The Development 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. Execution by the Chairperson or

the Executive Director of the Development Agreement shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions and additions.

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 Underwriters. 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 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 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 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 ESCROW AGENT. U.S. Bank National Association is hereby designated as Trustee under the Trust Indenture and Escrow Agent under the Escrow Agreement.

SECTION 14. APPROVAL OF ESCROW AGREEMENT. The Finance Corporation hereby authorizes and directs the Chairperson or Executive Director to execute the Escrow Agreement, and the Secretary to attest the same under the seal of the Finance Corporation and to deliver the Escrow Agreement to the Escrow Agent for execution. The Escrow Agreement shall be in substantially the form attached hereto as **Exhibit G**, 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 Escrow Agreement shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions and additions.

SECTION 15. 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 Second Amendment to Ground Sublease Agreement, the Development Agreement, the Escrow 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 16. 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 17. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 14th day of October, 2019.

THE FAU FINANCE CORPORATION

(SEAL)

By: _____
Chairperson

ATTEST:

Secretary

EXHIBIT A

FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE

THE FAU FINANCE CORPORATION

Issuer

and

U.S. BANK NATIONAL ASSOCIATION,

Trustee

THIRD SUPPLEMENTAL TRUST INDENTURE

Capital Improvement Revenue Bonds
(Student Housing Project), Series 2019B

and

Taxable Capital Improvement Refunding Revenue Bonds
(Student Housing Project), Series 2019C

Dated as of November 1, 2019

TABLE OF CONTENTS

PAGE

ARTICLE I DEFINITIONS	1
ARTICLE II THE SERIES 2019 BONDS	3
SECTION 2.01. AUTHORIZATION OF THE SERIES 2019 BONDS	3
SECTION 2.02. TERMS OF SERIES 2019 BONDS	3
ARTICLE III REDEMPTION OF SERIES 2019 BONDS BEFORE MATURITY	5
SECTION 3.01. REDEMPTION PROVISIONS	5
ARTICLE IV GENERAL COVENANTS	6
SECTION 4.01. PAYMENT OF PRINCIPAL AND INTEREST	6
ARTICLE V REVENUES AND FUNDS	6
SECTION 5.01. CREATION OF ACCOUNTS.	6
SECTION 5.02. APPLICATION OF SERIES 2019 BONDS PROCEEDS AND OTHER MONEYS	6
SECTION 5.03. DESIGNATION OF RESERVE REQUIREMENT.	7
SECTION 5.04. USE OF MONEYS IN THE 2019B REBATE ACCOUNT	7
ARTICLE VI MISCELLANEOUS	8
SECTION 6.01. SEVERABILITY	8
SECTION 6.02. COUNTERPARTS	8
SECTION 6.03. CAPTIONS OR HEADINGS IN THIS THIRD SUPPLEMENTAL TRUST INDENTURE	8

THIRD SUPPLEMENTAL TRUST INDENTURE

THIS THIRD SUPPLEMENTAL TRUST INDENTURE is made and entered into as of November 1, 2019 by and between **THE FAU FINANCE CORPORATION** (the "Issuer") a single purpose not-for-profit corporation organized and existing under the laws of the State of Florida, a direct support organization of 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 and 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") and supplements and amends the terms and provisions of the Trust Indenture dated as of July 1, 2012 by and between the Issuer and the Trustee (the "Master Trust Indenture").

WITNESSETH:

WHEREAS, the Issuer desires to issue its Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B (the "Series 2019B Bonds") and its Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C (the "Series 2019C Bonds" and together with the Series 2019B Bonds, the "Series 2019 Bonds") in a negotiated public sale; and

WHEREAS, the proceeds from the sale of the Series 2019B Bonds will be used to finance the construction of Series 2019B Project (as defined herein), and paying the costs of issuance of the Series 2019B Bonds; and

WHEREAS, the proceeds from the sale of the Series 2019C Bonds, along with other legally available funds of the Issuer, if any, will be used to advance refund on a taxable basis all or a portion of the Series 2012A Bonds (the "Refunded Bonds"), and paying the costs of issuance of the Series 2019C Bonds; and

WHEREAS, the parties hereto now wish to enter into this Third Supplemental Trust Indenture dated as of November 1, 2019, as amended and supplemented from time to time (the "Third Supplement") to supplement and amend the Master Trust Indenture and set forth the terms by which the Series 2019 Bonds shall be issued and secured, the application of the proceeds of the Series 2019 Bonds and certain other terms regarding the Trustee's obligations, the Issuer's obligations and other matters.

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

ARTICLE I DEFINITIONS

Capitalized terms not otherwise defined in this Third Supplement shall have the meaning as set forth in the Indenture. The following words and phrases shall have the following meanings:

"Escrow Agent" means U.S. Bank National Association having a designated corporate trust office in Fort Lauderdale, Florida, and its successors and assigns.

"Escrow Deposit Agreement" means the agreement dated as of November 1, 2019, by and between the Issuer and Escrow Agent.

"Escrow Fund" means the account established and held by the Escrow Agent pursuant to the Escrow Deposit Agreement, in which cash and investments will be held for payment of the principal of and accrued interest on the Refunded Bonds as they become due and payable.

"First Supplemental Indenture" means the First Supplemental Trust Indenture dated November 1, 2012, as amended by that certain First Amendment to First Supplemental Trust Indenture dated as of May 1, 2019, each by and between the Issuer and the Trustee.

"Indenture" means collectively, the Master Trust Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and this Third Supplement, as may be further amended and supplemented from time to time.

"Second Supplemental Indenture" means the Second Supplemental Trust Indenture dated as of December 1, 2018 by and between the Issuer and the Trustee.

"Series 2012A Bonds" means the Issuer's Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A.

"Series 2012B Bond" means the Issuer's Capital Improvement Revenue Bond (Student Housing Project), Series 2012B.

"Series 2019A Bonds" means the Issuer's Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019A.

"Series 2019B Bonds" means the Issuer's Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B.

"Series 2019B Project" means collectively, the construction of a student housing facility on the Jupiter campus of the University with approximately 51,000 square feet, three stories with approximately 165 beds in full suite style configuration, and the construction of a student housing facility on the Boca Raton campus of the University with approximately 185,000 square feet, seven stories with approximately 616 beds in suite style configuration.

"Series 2019C Bonds" means the Issuer's Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C.

ARTICLE II
THE SERIES 2019 BONDS

SECTION 2.01. AUTHORIZATION OF THE SERIES 2019 BONDS

(A) The Series 2019B Bonds are hereby authorized to be issued in an aggregate principal amount of [_____] THOUSAND Dollars (\$[_____]), for the purpose of (i) financing the construction of the Series 2019B Project, and (ii) paying the costs associated with the issuance thereof.

(B) The Series 2019C Bonds are hereby authorized to be issued in an aggregate principal amount of [_____] MILLION Dollars (\$[_____]), for the purpose of (i) refunding all of the Refunded Bonds, and (ii) paying the costs associated with the issuance thereof.

(C) Additional Bonds in excess of the principal amount of the Series 2019 Bonds may be issued from time to time pursuant to the terms of the Indenture and the Act.

(D) The Series 2019 Bonds shall be considered for all intents and purposes as "Additional Senior Bonds" within the meaning of the Indenture and shall be issued on parity with the Series 2012B Bond, the Series 2019A Bonds and any Additional Senior Bonds hereafter issued by the Issuer pursuant to the terms of the Indenture.

(E) The issuance of the Series 2019 Bonds is hereby authorized by the Issuer for the purposes and in accordance with the provisions hereof and the Indenture.

SECTION 2.02. TERMS OF SERIES 2019 BONDS

(A) The Series 2019B Bonds shall be designated "Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B," and shall be issued as fully registered Bonds, without coupons. The Series 2019B Bonds shall be dated as of the date of their delivery, numbered consecutively from RB-1 upward and issued in the Authorized Denominations.

(B) [The Series 2019B Bonds shall mature on the following dates and in the stated principal amounts, and shall bear interest payable semiannually [based on a 360-day year with twelve 30-day months] commencing [July 1, 2020] and on each January 1 and July 1 thereafter to maturity at the rates per annum, all as set forth below:

<u>Maturity</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	

(C) The Series 2019B Bonds maturing on July 1, 20__ 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:

July 1 of the Year

Amortization Installments

*Final Maturity

(D) The Series 2019C Bonds shall be designated "Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C," and shall be issued as fully registered Bonds, without coupons. The Series 2019C Bonds shall be dated as of the date of their delivery, numbered consecutively from RC-1 upward and issued in the Authorized Denominations.

(E) The Series 2019C Bonds shall mature on the following dates and in the stated principal amounts, and shall bear interest payable semiannually [based on a 360 day year with twelve 30 day months]commencing [July 1, 2020] and on each January 1 and July 1 thereafter to maturity at the rates per annum, all as set forth below:

<u>Maturity</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	

(F) The Series 2019C Bonds maturing on July 1, 20__ 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:

*Final Maturity

(G) The Series 2019 Bonds shall bear interest from the Interest Payment Date next preceding its date of registration and authentication unless the Series 2019 Bonds is registered and authenticated as of an Interest Payment Date, in which case it shall bear interest from said Interest Payment Date; or unless it is registered and authenticated prior to [January 1, 2020], in which event such Series 2019 Bonds shall bear interest from the date of its delivery; or unless the Series 2019 Bonds is registered and authenticated on a date which is after the applicable Record Date and before the next ensuing Interest Payment Date, in which case it shall bear interest from such next ensuing Interest Payment Date; or unless, as shown by the records of the Trustee, interest on the Series 2019 Bonds shall be in Default in which event such Series 2019 Bonds shall bear interest from the date to which interest was last paid on such Series 2019 Bonds.

The principal of, redemption premium, if any, and interest on any of the Series 2019 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Except as provided in Section 5.02, the principal of, and redemption premium, if any, on the Series 2019 Bonds are payable at maturity upon presentation and surrender at the designated corporate trust office of the Trustee or any successor thereto or at such other place as may be provided for by the appointment of any other Paying Agent appointed under the Trust Indenture, except that no presentation is required for any Series 2019 Bonds registered in the Book-Entry System. Payment of interest on the Series 2019 Bonds may, at the option of any owner of Series 2019 Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to the registered owner thereof to the bank account number on file with the Paying Agent as of the Record Date upon written request therefor by the holder thereof for the appropriate Interest Payment Date.

ARTICLE III

REDEMPTION OF SERIES 2019 BONDS BEFORE MATURITY

SECTION 3.01. REDEMPTION PROVISIONS

(A) The Series 2019 Bonds maturing on or before [July 1, 2029] are not subject to optional redemption prior to maturity.

(B) The Series 2019 Bonds maturing on or after [July 1, 2030] are subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any date on or after [July 1, 2029], and if in part, in such manner as determined by the Issuer, at the redemption price of 100%

of the principal amount of the Series 2019 Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.

(C) Notice of any such redemption shall be given as provided in Section 3.03 of the Master Trust Indenture.

ARTICLE IV GENERAL COVENANTS

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 2019 Bonds issued under the Indenture, at the place, on the dates and in the manner and to the extent provided herein and in the Series 2019 Bonds, 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 Indenture, and nothing in the Series 2019 Bonds 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 therein.

All of the covenants set forth in the Master Trust Indenture shall apply as if set forth in this Third Supplement and shall be enforceable equally with respect to the Series 2019 Bonds as if originally issued thereunder.

ARTICLE V REVENUES AND FUNDS

SECTION 5.01. CREATION OF ACCOUNTS.

There is hereby created and established the following accounts: (i) the Series 2019B Costs of Issuance Account within the Costs of Issuance Fund, (ii) the Series 2019C Costs of Issuance Account within the Costs of Issuance Fund, (iii) the Series 2019B Capitalized Interest Account within Debt Service Fund, (iv) the Series 2019B Bond Account within the Construction Fund, and (v) the Series 2019B Rebate Account of the Rebate Fund.

SECTION 5.02. APPLICATION OF SERIES 2019 BONDS PROCEEDS AND OTHER MONEYS

(A) Unless otherwise provided to the contrary by certificate of the Chief Financial Officer, the proceeds of the Series 2019B Bonds together with other legally available funds of the Issuer, if any, shall, upon receipt by the Trustee, be applied by the Trustee in the following order and priority:

(i) Series 2019B Costs of Issuance Account. An amount equal to the costs of issuance of the Series 2019B Bonds equal to \$[_____] shall be deposited by the Trustee in the Series 2019B Costs of Issuance Account, and shall be used to pay when due and/or reimburse the costs of issuance of the Series 2019B Bonds;

(ii) Series 2019B Capitalized Interest Account. An amount equal to \$[_____] shall be deposited into the Capitalized Interest Account and shall be used to pay interest on the Series 2019B Bonds for [____] months.

(iii) Series 2019B Bond Account of the Construction Fund. An amount equal to \$[_____] shall be deposited in the Series 2019B Bond Account within the Construction Fund and used to pay the costs of the Series 2019B Project.

(B) Unless otherwise provided to the contrary by certificate of the Chief Financial Officer, the proceeds of the Series 2019C Bonds together with other legally available funds of the Issuer, if any, shall, upon receipt by the Trustee, be applied by the Trustee in the following order and priority:

(i) Escrow Deposit. There shall be established an Escrow Fund to be held by the Escrow Agent in accordance with the provisions of the Escrow Deposit Agreement. Upon delivery of the Series 2019C Bonds there shall be deposited with the Escrow Agent \$[_____] being a portion of the proceeds from the sale of the Series 2019C Bonds together with other legally available funds of the Issuer which are sufficient to refund the Refunded Bonds; and

(ii) Costs of Issuance. An amount equal to the costs of issuance of the Series 2019C Bonds equal to \$[_____] shall be deposited by the Trustee in the Series 2019C Costs of Issuance Account, and shall be used to pay when due and/or reimburse the costs of issuance of the Series 2019C Bonds.

SECTION 5.03. DESIGNATION OF RESERVE REQUIREMENT.

The Reserve Requirement for the Series 2019 Bonds shall be zero.

SECTION 5.04. USE OF MONEYS IN THE 2019B REBATE ACCOUNT. The Issuer shall deposit into the 2019B 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 2019B Rebate Amount for such Rebate Year. The Issuer shall engage a qualified rebate analyst (the "2019 Rebate Analyst") to calculate the 2019B Rebate Amount. Such moneys deposited in the 2019B Rebate Account shall be used only for the payment of the 2019B Rebate Amount to the United States as required by this Section 5.04 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 2019B Rebate Account after payment in full of all Series 2019B Bonds issued hereunder and after payment in full of the 2019B 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 Taxable Bonds or to pay principal and interest on Taxable Bonds.

The 2019B 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 Third Supplement, including in particular Section 4.01 of the Master Trust Indenture, the obligation to pay over the 2019B Rebate Amount to the United States and to comply with all other requirements of Section 4.01 of the Indenture and this Section 5.03 shall survive the defeasance or payment in full of the Series 2019B Bonds.

ARTICLE VI MISCELLANEOUS

SECTION 6.01. SEVERABILITY

If any provision of this Third Supplement 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 6.02. COUNTERPARTS

This Third Supplement 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 6.03. CAPTIONS OR HEADINGS IN THIS THIRD SUPPLEMENTAL TRUST INDENTURE

The captions or headings in this Third Supplement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Third Supplement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer has caused this Third Supplement to be executed on its behalf by its Chairman and attested by its Executive Director, 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 Third Supplement 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: Chairman

ATTEST:

By: _____
Executive Director

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

By: _____
Name: Robert Hedgecock
Title: Assistant Vice President

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

\$ _____
**The FAU Finance Corporation
Capital Improvement Revenue Bonds
(Student Housing Project),
Series 2019B**

\$ _____
**The FAU Finance Corporation
Taxable Capital Improvement Refunding Revenue Bonds
(Student Housing Project),
Series 2019C**

BOND PURCHASE AGREEMENT

October __, 2019

The FAU Finance Corporation
777 Glades Road
Boca Raton, Florida 33431

Ladies and Gentlemen:

BofA Securities, Inc. (the “Representative”), on its own behalf and on behalf of Raymond James & Associates, Inc. (collectively, the “Underwriters”) hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with The FAU Finance Corporation, a Florida not for profit corporation and a university direct-support organization (the “Issuer”) of Florida Atlantic University (the “University”), whereby the Underwriters will purchase and the Issuer will sell the Bonds (as defined and described below). The Underwriters are making this offer subject to the acceptance by the Issuer at or before 5:00 P.M., Boca Raton, Florida time, on the date hereof. If the Issuer accepts this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriters. The Underwriters may withdraw this Purchase Agreement upon written notice delivered by the Representative to the Chair of the Issuer at any time before the Issuer accepts this Purchase Agreement. Capitalized terms used but not defined in this Purchase Agreement are defined in the Indenture (as defined below).

The Representative confirms that it has been duly authorized to execute this Purchase Agreement on behalf of the Underwriters and to act hereunder.

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the following bonds: (i) The FAU Finance Corporation Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B (the “Series 2019B Bonds”), at the purchase price of \$_____, representing the aggregate principal amount of the Series 2019B Bonds, less an Underwriter’s discount of \$_____, [plus/less original issue premium/discount of \$_____], and (ii) The FAU Finance Corporation Taxable Capital

Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C (the “Series 2019C Bonds” and, together with the Series 2019B Bonds, the “Bonds”), at the purchase price of \$_____, representing the aggregate principal amount of the Series 2019C Bonds, less an Underwriter’s discount of \$_____, [plus/less original issue premium/discount of \$_____].

The Issuer acknowledges and agrees that: (i) the Underwriters are not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the Issuer and the Underwriters and the Underwriters have financial and other interests that differ from those of the Issuer; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Issuer and have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to Chapter 617, Section 1004.28 and Section 1010.62, Florida Statutes and other applicable provisions of law (the “Act”), a resolution adopted by the Board of Trustees of the University on November 13, 2018 (the “University Resolution”) and a resolution adopted by the Board of Directors of the Issuer on _____, 2019 (the “Issuer Resolution” and, together with the University Resolution, the “Resolutions”). The Bonds shall be dated their date of delivery. The Bonds shall be issued and secured under and pursuant to the Trust Indenture dated as of July 1, 2012 (the “Master Indenture”), as amended and supplemented, and as particularly amended and supplemented by a Third Supplemental Trust Indenture dated as of [November] 1, 2019 (the “Third Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The Bonds are being issued on a parity with [the Issuer’s outstanding Capital Improvement Revenue Bonds (Student Housing Project, Series 2012A), the Issuer’s outstanding Capital Improvement Revenue Bond (Student Housing Project), Series 2012B and Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019A.

The Series 2019B Bonds are being issued to provide funds to: (i) finance the construction of an approximately 51,000 square foot, three-story, student housing facility on the JDM Jupiter Campus of the University, with approximately 165 beds, and the construction of an approximately 185,000 square foot, seven-story student housing facility on the Boca Raton Campus of the University, with approximately 616 beds and (ii) pay certain costs of issuance of the Series 2019B Bonds.

The Series 2019C Bonds are being issued to provide funds to: (i) advance refund on a taxable basis all [or a portion] of the outstanding The FAU Finance Corporation Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A (the “Refunded Bonds”), issued in the original aggregate principal amount of \$46,205,000 to finance the acquisition, construction and installation of a new student housing facility which includes approximately

190,000 square feet and approximately 614 beds and related infrastructure and (ii) pay certain costs of issuance of the Series 2019C Bonds.

The Bonds will be secured under the provisions of the Act and the Indenture. The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The Authorized Denominations, Record Date, Interest Payment Dates and other details and particulars of the Bonds shall be as described in the Indenture and the Official Statement (as defined below) of the Issuer.

3. Public Offering and Good Faith Check.

The Underwriters intend to make an initial bona fide public offering of the Bonds at a price or prices described in Schedule I hereto; provided, however, the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds (but in all cases subject to the requirements of Section 5 hereof), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to the requirements of Section 5 hereof).

Delivered to the Issuer herewith is a corporate check payable to its order in the amount of \$ _____ for the Bonds (the “Good Faith Check”). If the Issuer does not accept this offer, the Issuer shall promptly return the Good Faith Check to the Representative. If it accepts this offer, the Issuer agrees to hold the Good Faith Check uncashed until the Closing. At the Closing and upon the delivery of the Bonds, the Issuer shall return the Good Faith Check to the Representative and the Representative shall pay the Issuer the entire purchase price of the Bonds. If the Issuer fails to deliver the Bonds at the Closing, or if the Issuer shall be unable to satisfy the conditions of the obligations of the Underwriters set forth in this Purchase Agreement (unless waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Agreement, the Issuer shall promptly return the Good Faith Check to the Representative and such return shall constitute a full release and discharge of all claims and rights hereunder of the Underwriters against the Issuer. If the Underwriters fail (other than for a reason permitted herein) to accept delivery of and to pay for the Bonds at the Closing as herein provided, the Issuer shall retain and cash the Good Faith Check as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters and, except as set forth in this Section and Sections 9 hereof, neither party shall have any further rights against the other hereunder. No interest shall be paid by the Issuer upon the principal amount of the Good Faith Check.

4. Delivery of the Official Statement and Other Documents.

(a) The Issuer has approved and delivered or caused to be delivered to the Underwriters copies of the Preliminary Official Statement dated October __, 2019 (including the cover page and all appendices thereto, the “Preliminary Official Statement”). It is acknowledged by the Issuer that the Underwriters may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. For purposes of

this Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Official Statement are deemed controlling. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the Closing Date, the Issuer shall deliver to the Underwriters a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Bond Counsel, Disclosure Counsel and the Underwriters, is referred to herein as the “Official Statement”) and such additional conformed copies thereof as the Underwriters may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (“MSRB”) and to meet potential customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. The Official Statement has been executed by and on behalf of the Issuer by an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriters. The Underwriters hereby agree to cooperate and assist in the preparation of the Official Statement. The Issuer hereby agrees to deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (“SEC”). The Issuer hereby ratifies, confirms, consents to and approves the use and distribution by the Underwriters before the date hereof of the Preliminary Official Statement and hereby authorizes and consents to the use by the Underwriters of the Official Statement and the Indenture in connection with the public offering and sale of the Bonds.

(c) In order to assist the Underwriters in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Continuing Disclosure Undertaking, dated as of the Closing Date hereinafter defined (the “Disclosure Undertaking”), to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Undertaking is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement.

(d) Delivered to the Issuer herewith by the Underwriters and attached hereto as Exhibit B is a disclosure statement of the Underwriters pursuant to Section 218.385, Florida Statutes.

5. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Series 2019B Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, substantially in the form attached hereto as Exhibit

A, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2019B Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Series 2019B Bonds may be taken on behalf of the Issuer by the Issuer's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

(b) *[Except for the maturities set forth in Schedule [] attached hereto, the][The] Issuer represents that it will treat the first price at which 10% of each maturity of the Series 2019B Bonds (the "10% Test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). [If, as of the date hereof, the 10% Test has not been satisfied as to any maturity of the Series 2019B Bonds for which the Issuer has elected to utilize the 10% Test, the Representative agrees to promptly report to the Issuer the prices at which Series 2019B Bonds of that maturity or maturities have been sold by the Underwriters to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% Test has been satisfied as to the Series 2019B Bonds of that maturity or maturities or the Closing Date.]*

(c) The Representative confirms that the Underwriters have offered the Series 2019B Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2019B Bonds for which the 10% Test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agrees that the restrictions set forth in the next sentence shall apply (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2019B Bonds, the Underwriters will neither offer nor sell unsold Series 2019B Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2019B Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2019B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

(A)(i) report the prices at which it sells to the public the unsold Series 2019B Bonds of each maturity allocated to it until either all Series 2019B Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% Test has been satisfied as to the Series 2019B Bonds of that maturity and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) promptly notify the Representative of any sales of the Series 2019B Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2019B Bonds to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public; and, and

(ii) any agreement among underwriters and any selling group agreement relating to the initial sale of the Series 2019B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2019B Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2019B Bonds of each maturity allocated to it until either all Series 2019B Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% Test has been satisfied as to the Series 2019B Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

The Issuer acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, if applicable to the Series 2019B Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2019B Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable to the Series 2019B Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2019B Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to comply with its agreement regarding the hold-the-offering-price rule, if applicable to the Series 2019B Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2019B Bonds.

(e) The Underwriters acknowledge that sales of any Series 2019B Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2019B Bonds

to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party to an underwriter,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2019B Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2019B Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2019B Bonds to the public),
- (iii) a purchaser of any of the Series 2019B Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

6. Representations. The Issuer represents to and agrees with the Underwriters that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriters pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Indenture, the Bonds, the Disclosure Undertaking, the Management Agreement, the Escrow Deposit Agreement and the Ground Sublease Agreement (collectively, the “Issuer Documents”) and to perform and consummate all obligations and transactions required or contemplated by each of the Issuer Documents and the Official Statement.

(b) The Issuer Resolution approving and authorizing the execution and delivery by the Issuer of the Issuer Documents and the offering, issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement was duly adopted at a meeting of the Board of Directors of the Issuer called and held pursuant to law and with all public notice required by law and at

which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Indenture and the Bonds conform to the descriptions thereof contained in the Official Statement and the Bonds, when duly issued and authenticated in accordance with the Indenture and delivered to the Underwriters as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Indenture and payable from the sources therein specified.

(d) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its respective terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. To the best knowledge of the Issuer, each of the Issuer Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) Except as described in the Official Statement, the Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State of Florida (the "State") or of the United States of America (the "United States") or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Issuer Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer (except as described in or contemplated by the Issuer Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Issuer Resolution and the Issuer Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

(h) Between the date hereof and the time of the Closing, the Issuer shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) The financial statements of the Issuer as of June 30, 2019 fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Issuer or in its operations since June 30, 2019 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Official Statement (excluding therefrom the information under the caption “THE SERIES 2019B AND C BONDS – Book-Entry Only System,” as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom the information under the caption “THE SERIES 2019B AND C BONDS – Book-Entry Only System,” as to which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of the Closing, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date hereof and the time of Closing, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriters thereof, and if, in the opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer

shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriters.

(n) Except as described in the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Issuer Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Official Statement or any of the Issuer Documents. The Issuer shall advise the Underwriters promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

(o) Except as disclosed in the Preliminary Official Statement, during the last five (5) years, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(p) The Issuer, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by the Underwriters or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

7. Closing. At [12]:00 [P].M., Eastern Time, on November __, 2019, or at such other time or date as the Underwriters and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will deliver or cause to be delivered to the Underwriters, at the offices of Issuer, or at such other place as the Underwriters and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 8. At the Closing, (a) upon satisfaction of the conditions herein specified, the Representative shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriters through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Representative at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing Date for purposes of inspection.

8. Conditions Precedent. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The obligations of the Underwriters under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, the Official Statement, the Resolutions and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriters.

(iii) The Issuer shall perform or have performed all of its obligations required under or specified in the Resolutions, the Issuer Documents and the Official Statement to be performed at or prior to the Closing.

(iv) The Issuer shall have delivered to the Underwriters final Official Statements by the time, and in the numbers, required by Section 4 of this Purchase Agreement.

(v) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Issuer Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(vi) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Act, the Resolutions, the Issuer Documents or the Pledged Revenues as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Underwriters materially impairs the investment quality of the Bonds.

(vii) At or prior to the Closing, the Underwriters shall receive the following documents (in each case with only such changes as the Underwriters shall approve):

(1) The approving opinion of Bryant Miller Olive P.A., Bond Counsel ("Bond Counsel") relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix D to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriters;

(2) The supplemental opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, to the effect that:

- (A) This Purchase Agreement has been duly executed and delivered by the Issuer and is a legal, valid and binding obligation of the Issuer, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;
 - (B) The statements contained in the Official Statement on the cover page and in the sections entitled "AUTHORIZATION FOR BONDS," "THE SERIES 2019B AND C BONDS" (other than the information concerning DTC and the book-entry system), "SECURITY FOR THE SERIES 2019B AND C BONDS," "THE 2019C PLAN OF REFUNDING" and "THE INDENTURE," insofar as such statements purport to summarize certain provisions of the Indenture or the Bonds are accurate summaries thereof, and the statements contained under the section entitled "TAX MATTERS" is accurate; and
 - (C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");
- (3) A letter, dated the Closing Date and addressed to the Issuer with a reliance letter to the Representative, from Bryant Miller Olive P.A., Disclosure Counsel, substantially in the form attached hereto as Exhibit C.
- (4) The opinion from the Office of the General Counsel of the University regarding the Issuer, dated the date of the Closing and addressed to the Underwriters, to the effect that:
- (A) The Issuer has been duly organized and is validly existing as a Florida not for profit corporation under the Constitution and laws of the State, and has all requisite power and authority thereunder: (a) to adopt the Issuer Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Issuer Documents; (b) to approve and authorize the use, execution and distribution of the Preliminary Official Statement and the Official Statement; (c) to issue, sell, execute and deliver the Bonds; (d) to pledge the Pledged Revenues as contemplated by the Issuer Documents; and (e) to carry on its activities as currently conducted;

- (B) The Issuer has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (A) above, and the Issuer has duly authorized the execution and delivery of, and the due performance of its obligations under, the Issuer Documents;
- (C) The Issuer Resolution was duly adopted by the Board of Directors of the Issuer at a meeting of the governing body of the Issuer which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the times of the adoption of the Issuer Resolution;
- (D) The adoption of the Issuer Resolution, the execution and delivery by the Issuer of the Issuer Documents and the compliance with the provisions of the Issuer Documents, do not and will not conflict with or violate in any material respect any Florida constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the Issuer a material breach of or default under any agreement or instrument to which the Issuer is a party or by which it is bound;
- (E) The Issuer Documents constitute legal, valid and binding obligations of the Issuer and are enforceable according to the respective terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;
- (F) No litigation is pending or, to the best of such counsel's knowledge after due inquiry, threatened against the Issuer in any court in any way affecting the titles of the officials of the Issuer to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Issuer Resolution or the Issuer Documents, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the

powers of the Issuer or its authority with respect to the Issuer Resolution or the Issuer Documents;

- (G) The information contained in the Official Statement under the captions “THE ISSUER” and “LITIGATION” does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (H) No authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Issuer of the Issuer Documents and the authorization and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriters); and
- (I) To the best of such counsel’s knowledge after due inquiry, the Issuer is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially adversely affect the Issuer’s ability to enter into or perform its obligations under the Issuer Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Issuer’s ability to enter into or perform its obligations under the Issuer Documents;

(5) The opinion of the Office of General Counsel of the University regarding the University, dated the date of the Closing and addressed to the Underwriters, to the effect that:

- (A) The University has been duly organized and is validly existing under the Constitution and laws of the State, and has all requisite power and authority thereunder to adopt the University Resolution, and to enter into, execute, deliver and perform its covenants and agreements under

the Issuer Documents to which it is a party (the “University Documents”);

- (B) The University has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (a) above, and the University has duly authorized the execution and delivery of, and the due performance of its obligations under, the University Documents;
- (C) The University Resolution was duly adopted by the Board of Trustees of the University at a meeting of the governing body of the University which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the University Resolution;
- (D) The adoption of the University Resolution, the execution and delivery by the University of the University Documents and the compliance with the provisions of the University Documents, do not and will not conflict with or violate in any material respect any Florida constitutional, statutory or regulatory provision, or, to the best of such counsel’s knowledge after due inquiry, conflict with or constitute on the part of the University a material breach of or default under any agreement or instrument to which the University is a party or by which it is bound;
- (E) The University Documents constitute legal, valid and binding obligations of the University and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;
- (F) No litigation is pending or, to the best of such counsel’s knowledge after due inquiry, threatened against the University in any court seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the University Resolution or the University Documents, or contesting in

any way the completeness, or contesting the powers of the University or its authority with respect to the University Resolution or the University Documents;

- (G) The information contained in the Official Statement under the captions “THE STATE UNIVERSITY SYSTEM,” “FLORIDA ATLANTIC UNIVERSITY,” “UNIVERSITY HOUSING FACILITIES,” “THE MANAGEMENT AGREEMENT AND THE MANAGER” does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
 - (H) No authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid adoption of the University Resolution or the authorization, execution and delivery by the University of the University Documents; and
 - (I) To the best of such counsel’s knowledge after due inquiry, the University is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the University is a party or is otherwise subject, which breach or default would materially adversely affect the University’s ability to enter into or perform its obligations under the University Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the University’s ability to enter into or perform its obligations under the University Documents;
- (6) The opinion of counsel to the Trustee, dated the date of the Closing and addressed to the Representative, to the effect that:
- (A) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the

trust estate created under the Indenture and to enter into such Indenture;

- (B) The Indenture has been duly authorized, executed and delivered by the Trustee and constitutes a legal, valid and binding obligation of the Trustee enforceable against the Trustee in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;
- (C) The execution, delivery and performance of the Indenture will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;
- (D) All authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under Indenture have been obtained; and
- (E) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the Bonds or the Indenture;

(7) The opinion of Foley & Lardner LLP, counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, and covering such matters as the Underwriters may reasonably request;

(8) A certificate, dated the Closing Date, signed by the Chair of the Issuer to the effect that: (a) the representations and warranties of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (b) the Issuer Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Issuer Resolution or any Issuer Document, (iii) in any way contesting the creation, existence or

powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Official Statement or any Issuer Document; and (d) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Official Statement under the caption “THE SERIES 2019B AND C BONDS – Book-Entry Only System;”

(9) A certificate, dated the Closing Date, signed by the President of the University to the effect that: (a) the representations and warranties of the University contained in the University Documents are true and correct in all material respects as of the date of the Closing; (b) the University Documents have been duly authorized and executed and are in full force and effect; (c) no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the University Resolution or any University Document, (iii) in any way contesting the creation, existence or powers of the University or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the transactions contemplated by the Official Statement or any University Document and (d) the statements and information contained in the Official Statement (including statistics and financial information furnished by the University) under the headings “THE STATE UNIVERSITY SYSTEM,” “FLORIDA ATLANTIC UNIVERSITY,” “UNIVERSITY HOUSING FACILITIES,” “SELECTED FINANCIAL INFORMATION,” and “THE MANAGEMENT AGREEMENT AND THE MANAGER,” are true and correct in all material respects and do not contain any untrue statement of a material fact and do not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; and (e) except as disclosed in the Official Statement, since June 30, 2018, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the University and the University has not incurred since June 30, 2018, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(10) A certificate, dated the Closing Date, signed by the Chair of the Issuer, in form and substance satisfactory to the Underwriters, to the effect that (a) the financial statements of the Issuer as of June 30, 2019 fairly

represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth and (b) except as disclosed in the Official Statement, since June 30, 2019, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Issuer and the Issuer has not incurred since June 30, 2019, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(11) Executed or certified copies of the Indenture;

(12) Executed or certified copies of each other Issuer Document;

(13) A Tax Certificate of the Issuer, in form satisfactory to Bond Counsel, executed by such officials of the Issuer as shall be satisfactory to the Underwriters;

(14) Certified copies of the Resolutions;

(15) Evidence satisfactory to the Underwriters of the assignment of long-term ratings assigned to the Bonds by Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings, Inc. ("Fitch") consistent with the ratings set forth in the Official Statement;

(16) A certificate of an authorized officer of the Trustee, as trustee, dated as of the Closing Date, to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriters; (b) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriters pursuant to the Indenture; (c) when delivered to and paid for by the Underwriters at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (d) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture

under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (e) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriters;

(17) Evidence to the effect that the Issuer is a Florida not for profit corporation;

(18) Certified copies of the Articles of Incorporation and Bylaws of the Issuer and all amendments thereto, and a Certificate of Good Standing for the Issuer;

(19) Evidence that a Form 8038-G relating to the Series 2019B Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service (the "IRS") within the applicable time limit;

(20) A copy of the Preliminary and Final Blue Sky Surveys with respect to the Bonds;

(21) A copy of the Issuer's executed Blanket Letter of Representation to The Depository Trust Company;

(22) Verification Report of [VERIFICATION AGENT] relating to the Refunded Bonds;

(23) Executed or certified copies of the Escrow Deposit Agreement;

(24) A defeasance opinion relating to the Refunded Bonds, dated the Closing Date and addressed to the Issuer, the Trustee and the Underwriters, from Bryant Miller Olive P.A., in form and substance acceptable to the Issuer, the Trustee and the Underwriters; and

(25) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters, counsel for the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all conditions precedent to the issuance of additional Bonds pursuant to the Indenture shall have been fulfilled.

9. Termination. If the Issuer shall be unable to satisfy the conditions of the obligations of the Underwriters contained in this Purchase Agreement or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by Underwriters at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

(a) The Underwriters shall also have the right, before the time of Closing, to cancel its obligations to purchase the Bonds, by written notice from the Representative to the Issuer, if between the date hereof and the time of Closing:

(i) Any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) The market for the Bonds or the market prices of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the professional judgment of the Representative, by:

(1) An amendment to the Constitution of the United States or the State shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation (whether or not then introduced) shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the IRS or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed (whether or not then introduced) for consideration by either such Committee by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation

of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the IRS or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation; or

(2) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) The declaration of a general banking moratorium by federal, New York or Florida authorities; or

(4) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(5) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) The general suspension of trading on any national securities exchange; or

(iii) Legislation enacted, introduced in the Congress or recommended for passage (whether or not then introduced) by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Bonds, other securities of the Issuer or obligations of the general character of the Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act; or

(iv) Any change in or particularly affecting the Issuer, the Act, the Resolutions, the Issuer Documents or the Pledged Revenues as the foregoing matters are described in

the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the Bonds; or

(v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, or the execution and delivery of any Issuer Documents, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) Any change or any development involving a prospective change in or affecting the business, properties or financial condition of the Issuer, except for changes which the Preliminary Official Statement and Official Statement discloses are expected to occur; or

(viii) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Resolutions, the Issuer Documents or the existence or powers of the Issuer with respect to its obligations under the Issuer Documents; or

(ix) A reduction or withdrawal in any of the following assigned ratings, or, as of the Closing Date, the failure by any of the following rating agencies to assign the following ratings, to the Bonds: “A1” (stable outlook) by Moody’s or “A+” (stable outlook) by Fitch.

10. Indemnification. (a) The Issuer shall indemnify and hold harmless, to the extent permitted by law, the Underwriters and their respective directors, officers, employees and agents and each person who controls the Underwriters within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an “Underwriter Indemnatee”), against any and all losses, claims, damages or liabilities, joint or several, (i) to which any such Underwriter Indemnatee may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement of a material fact set forth in the Preliminary Official Statement or the Official Statement or any amendment or supplement to either, or arise out of or are based upon the omission to state therein a material fact which is necessary in order to make the

statements made therein, in the light of the circumstances in which they were made, not misleading, except such indemnification shall not extend to statements in the Preliminary Official Statement or the Official Statement under the caption “UNDERWRITING,” and (ii) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Issuer (which consent shall not be unreasonably withheld); and will reimburse any legal or other expenses reasonably incurred by any such Underwriter Indemnitee in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement shall not be construed as a limitation on any other liability which the Issuer may otherwise have to any Underwriter Indemnitee.

(b) The Underwriters shall indemnify and hold harmless, to the extent permitted by law, the Issuer and its directors, officers, members, employees and agents and each person who controls the Issuer within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an “Issuer Indemnitee”), against any and all losses, claims, damages or liabilities, joint or several, to which such Issuer Indemnitee may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Issuer Indemnitee for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereof, under the caption “UNDERWRITING.” This indemnity agreement shall not be construed as a limitation on any other liability which the Underwriters may otherwise have to any Issuer Indemnitee. The liability of the Underwriters obligations under this Section 9 shall not exceed the amount of its compensation under this Purchase Agreement.

(c) For purposes of subsection (a) or (b) above, an “Indemnified Party” means an Underwriter Indemnitee or an Issuer Indemnitee as the context dictates and an “Indemnifying Party” means the Issuer or an Underwriter who is under the obligation to indemnify an Indemnified Party under this Section 9. An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against an Indemnifying Party, notify the Indemnifying Party in writing of the commencement thereof, but the omission to notify the Indemnifying Party of any such action shall not relieve the Indemnifying Party from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so to assume the defense thereof, the Indemnifying Party will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. If the Indemnifying Party shall not have employed counsel to manage the defense of any such action or if the Indemnified Party shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the

Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and the reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party.

An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action against the Indemnifying Party or any Indemnified Party, with or without the consent of the Indemnifying Party, the Indemnifying Party agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an Indemnified Party under subsection (a) or (b) above, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Underwriters on the other from the offering of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim which is the subject to this subsection (d). Notwithstanding the provisions of this subsection (d), the Underwriters shall not have any obligation under this subsection (d) to contribute an amount in excess of the amount of its *pro rata* compensation under this Purchase Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding any provision of this Purchase Agreement to the contrary, it is hereby agreed by the parties hereto that any liability of the Issuer pursuant to this Section 10 shall be payable solely from revenues of the Issuer deposited in the Surplus Fund under the Indenture and neither the Issuer nor the University shall be obligated to expend any funds other than System Revenues deposited in the Surplus Fund.

11. Amendments to Official Statement. From the date hereof until the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in the Rule and determined in accordance with the last sentence hereof), or (ii) the time when the Official Statement is available to any person from the MSRB (but in no case less than 25 days following the end of the underwriting period), if any event occurs which may make it necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Representative and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Representative, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the Issuer, at its expense (unless such event was caused by the Underwriters), promptly will prepare an appropriate amendment or supplement thereto (and file or cause, to be filed, the same with the MSRB, and mail such amendment or supplement to each record owner of the Bonds) so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Representative. The Issuer will promptly notify the Representative of the occurrence of any event of which it has knowledge, which, in its reasonable opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Bonds are hereinafter included within the term “Official Statement.” Unless otherwise notified in writing by the Representative to the Issuer on the date of Closing, the end of the underwriting period shall be the date of Closing.

12. Expenses. The expenses and costs incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including the costs of printing or reproduction of the Bonds, the Issuer Documents and the Official Statement in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, fees and expenses of the Trustee and its counsel and fees and expenses of General Counsel to the Issuer, General Counsel to the University and Bond Counsel, shall be paid by the Issuer from the proceeds of the Bonds or other revenues of the Issuer. The Issuer shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the Issuer’s employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All expenses and costs of the Underwriters incurred under or pursuant to this Purchase Agreement, including, without limitation, the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and fees and expenses of counsel to the Underwriters noted on Schedule I to Exhibit B hereto shall be paid by the Underwriters (which may be included as an expense component of the Underwriters’ discount).

13. Use of Documents. The Issuer hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Issuer Documents, and the information contained herein and therein.

14. Qualification of Securities. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and to provide for the continuance of such qualification; provided,

however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

15. Truth in Bonding Statement. The Issuer is proposing to issue the Bonds for the purpose of (i) financing the construction of an approximately 51,000 square foot, three-story, student housing facility on the JDM Jupiter Campus of the University, and the construction of an approximately 185,00 square foot, seven-story student housing facility on the Boca Raton Campus of the University, (ii) advance refunding on a taxable basis the Refunded Bonds and (iii) paying certain costs of issuance associated with the Bonds.

(a) The Bonds are expected to be repaid over a period of approximately ____ years. At an all-in true interest cost of __.____%, total interest paid over the life of the Bonds will be approximately \$_____.

(b) The sources of repayment or security for the Bonds are the Pledged Revenues. Authorizing the Bonds will result in approximately \$_____ (representing average annual debt service on the Bonds) of Pledged Revenues not being available to finance the other services of the Issuer each year for approximately ____ years.

The truth-in-bonding statements set forth in subsections (a) and (b) of this Section 15 are provided in accordance with Florida Statutes, Sections 218.385(2) and (3), are for informational purposes only and shall not effect or control the actual terms and conditions of the Bonds.

16. Notices. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to The FAU Finance Corporation, 777 Glades Road, Boca Raton, FL 33431, Attn: Executive Director and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to BofA Securities, Inc., 4 Penn Center, Suite 1210, 1600 JFK Blvd. Philadelphia, PA 19103, Attn: Ted Matozzo.

17. Benefit. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 9 (and in all events the agreements of the Issuer pursuant to Sections 10 and 12 hereof shall remain in full force and effect notwithstanding the termination of the Purchase Agreement under Section 9 hereof).

18. Approval. The approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Representative and delivered to the Issuer.

19. Attorneys' Fees. In the event of a dispute arising under this Purchase Agreement, the prevailing party shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Purchase Agreement.

20. Governing Law. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS SECTION 5-1401 AND 5-1402) PROVIDED, HOWEVER, THAT THE OBLIGATION OF THE ISSUER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA.

21. Miscellaneous. This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations thereto.

[Remainder of page intentionally left blank]

22. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

Very truly yours,

BOFA SECURITIES, INC., as
Representative of the Underwriters

By: _____
Ted Matozzo, Vice President

Approved and Agreed to: October __, 2019

THE FAU FINANCE CORPORATION,
a Florida not for profit corporation

By: _____
Art Kite, Executive Director

SCHEDULE I

Principal Amounts, Interest Rates and Prices

\$ _____
**The FAU Finance Corporation
Capital Improvement Revenue Bonds
(Student Housing Project),
Series 2019B**

\$ _____ **Series 2019B Serial Bonds**

<u>Maturity</u> <u>(July 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
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^C = Calculated to first optional redemption date of July 1, 20__.

\$ _____ **Series 2019B Term Bonds**

\$ _____ – ____ % Series 2019B Term Bond due July 1, 20__ Price ____ % Yield ____ %
\$ _____ – ____ % Series 2019B Term Bond due July 1, 20__ Price ____ % Yield ____ %

Optional Redemption (Series 2019B Bonds)

The Series 2019B Bonds maturing on or before July 1, 20__, are not subject to optional redemption prior to maturity. The Series 2019B Bonds maturing on or after July 1, 20__ are subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any date on or after July 1, 20__, and if in part, in such manner as determined by the Issuer, at the redemption price of 100% of the principal amount of the Series 2019B Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.

\$ _____
The FAU Finance Corporation
Taxable Capital Improvement Refunding Revenue Bonds
(Student Housing Project),
Series 2019C

\$ _____ **Series 2019C Serial Bonds**

Maturity (July 1)	Amount	Interest Rate	Price	Yield
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_____ ^c = Calculated to first optional redemption date of July 1, 20__.

\$ _____ **Series 2019C Term Bonds**

\$ _____ – ____% Series 2019C Term Bond due July 1, 20__ Price ____% Yield ____%
 \$ _____ – ____% Series 2019C Term Bond due July 1, 20__ Price ____% Yield ____%

Optional Redemption (Series 2019C Bonds)

The Series 2019C Bonds maturing on or before July 1, 20__, are not subject to optional redemption prior to maturity. The Series 2019C Bonds maturing on or after July 1, 20__ are subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any date on or after July 1, 20__, and if in part, in such manner as determined by the Issuer, at the redemption price of 100% of the principal amount of the Series 2019C Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.

EXHIBIT A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of BofA Securities, Inc. (the “Representative”), on behalf of itself and Raymond James & Associates, Inc. (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance by The FAU Finance Corporation (the “Issuer”) of its \$_____ aggregate principal amount of Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B (the “Series 2019B Bonds”).

1. [Alternative 1¹ – All Maturities Use General Rule: ***Sale of the Bonds***. As of the date of this certificate, for each Maturity of the Series 2019B Bonds, the first price at which at least 10% of such Maturity of the Series 2019B Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 2² – Select Maturities Use General Rule: ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Series 2019B Bonds was sold to the Public is the respective price listed in Schedule A.]

2. ***Initial Offering Price of the [Series 2019B Bonds] [Hold-the-Offering-Price Maturities].***

(a) [Alternative 1³ – All Maturities Use Hold-the-Offering-Price Rule: The Underwriting Group offered the Series 2019B Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2019B Bonds is attached to this certificate as Schedule B.] [Alternative 2⁴ – Select Maturities Use Hold-the-Offering-Price Rule: The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2019B Bonds is attached to this certificate as Schedule B.]

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Series 2019B Bonds, they would neither offer nor sell any of the unsold Series 2019B Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. No member of the Underwriting Group has offered or sold

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

³ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

⁴ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

any Maturity of the unsold Series 2019B Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2019B Bonds during the Holding Period.] [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the unsold Series 2019B Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. No member of the Underwriting Group has offered or sold any unsold Series 2019B Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2019B Bonds during the Holding Period.]

3. ***Defined Terms.***

(a) [General Rule Maturities means those Maturities of the Series 2019B Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

(b) [Hold-the-Offering-Price Maturities means those Maturities of the Series 2019B Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

(c) [Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means The FAU Finance Corporation.

(e) *Maturity* means Series 2019B Bonds with the same credit and payment terms. Series 2019B Bonds with different maturity dates, or Series 2019B Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2019B Bonds. The Sale Date of the Series 2019B Bonds is October __, 2019.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2019B Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to

participate in the initial sale of the Series 2019B Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2019B Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2019B Bonds, and by Bryant Miller Olive P.A., Bond Counsel, in connection with rendering its opinion that the interest on the Series 2019B Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Series 2019B Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

BOFA SECURITIES, INC.

By: _____
Ted Matozzo, Vice President

Dated: _____, 2019

SCHEDULE A

\$ _____
The FAU Finance Corporation
Capital Improvement Revenue Bonds
(Student Housing Project),
Series 2019B

\$ _____ Series 2019B Serial Bonds

<u>Maturity</u> <u>(July 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
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^C = Calculated to first optional redemption date of July 1, 20__.

\$ _____ Series 2019B Term Bonds

\$ _____	– _____%	Series 2019B Term Bond due July 1, 20__	Price _____%	Yield _____%
\$ _____	– _____%	Series 2019B Term Bond due July 1, 20__	Price _____%	Yield _____%

EXHIBIT B

**DISCLOSURE STATEMENT REQUIRED BY FLORIDA STATUTES,
SECTION 218.385(6)**

October __, 2019

Board of Directors
The FAU Finance Corporation
Boca Raton, Florida

Re: \$_____ The FAU Finance Corporation Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B (the "Series 2019B Bonds"); and

 \$_____ The FAU Finance Corporation Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C (the "Series 2019C Bonds" and, together with the Series 2019B Bonds, the "Bonds")

Ladies and Gentlemen:

In connection with the proposed issuance by The FAU Finance Corporation (the "Issuer") of \$_____ in aggregate principal amount of the above captioned Bonds, BofA Securities, Inc. (the "Representative"), on its own behalf and on behalf of Raymond James & Associates, Inc. (collectively, the "Underwriters") is underwriting a public offering of the Bonds.

The purpose of the following paragraphs of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, certain information with respect to the arrangements contemplated for the purchase and sale of the Bonds, as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters in connection with the issuance of the Bonds are set forth in Schedule I attached hereto.

(b) There are no "finders," as defined in Section 218.386, Florida Statutes, connected with the sale and purchase of the Bonds.

(c) The underwriting spread, the difference between the price at which the Bonds will be initially offered to the public by the Underwriters and the price to be paid to the Issuer for Bonds, will be \$_._____ per \$1,000 of Bonds issued (which includes expenses of \$_._____ set forth in Schedule I hereto).

(d) As part of the estimated underwriting spread set forth in paragraph (c) above, the Underwriters will charge a management fee of \$0.00 per \$1,000 of Bonds issued.

(e) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters (including any “finder” as defined in Section 218.386, Florida Statutes), except as specifically enumerated as expenses to be incurred by the Underwriters, as set forth in paragraph (a) above.

(f) Neither the Underwriters nor any “person” or “affiliate” thereof have been on the “convicted vendor list” during the past 36 months as all such terms are defined in Section 287.133, Florida Statutes.

(g) The names and addresses of the Underwriters are:

BofA Securities, Inc.
4 Penn Center, Suite 1210
1600 JFK Blvd.
Philadelphia, PA 19103

Raymond James & Associates, Inc.
807 W. Morse Boulevard, Suite 200
Winter Park, FL 32789

The foregoing is provided for information purposes only and shall not affect or control the actual terms and conditions of the Bonds.

Very truly yours,

BOFA SECURITIES, INC.,
as Representative of the Underwriters

By: _____
Ted Matozzo, Vice President

SCHEDULE I

Underwriter's Estimated Expenses

	<u>\$/1000</u>	<u>Amount</u>
i-Deal Bookrunning	\$	\$
i-Deal Wire Charges		
i-Deal Order Monitor		
CUSIP Charge and Disclosure Fee		
DTC Service Fees		
Out of Pocket Expenses		
Underwriter's Counsel		
<hr/>		
Total:	\$	\$

EXHIBIT C

FORM DISCLOSURE COUNSEL OPINION

[Closing Date]

Florida Atlantic University
The FAU Finance Corporation
777 Glades Road
Boca Raton, Florida 33431

Re: \$_____ The FAU Finance Corporation Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B (the “2019B Bonds”) and \$_____ The FAU Finance Corporation Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C (collectively, with the 2019B Bonds, the “Bonds”)

Ladies and Gentlemen:

We have acted as disclosure counsel to The FAU Finance Corporation (the “Issuer”), and not to any other person, in connection with the issuance of the above-referenced Bonds. In providing the statement of belief set forth in the third succeeding paragraph, reference is made to the Official Statement, dated _____, 2019 (the “Official Statement”). As disclosure counsel, we have reviewed the Official Statement and certain other documents and have participated in conferences in which the contents of the Official Statement and other matters were discussed.

The purpose of our professional engagement was not to establish or to confirm factual matters set forth in the Official Statement, and we have not undertaken to verify independently any of such factual matters. To the extent our statement of belief set forth in the second succeeding paragraph relates to or is dependent upon the determination that (i) the proceedings and actions relating to the authorization, execution, issuance, delivery, and sale of the Bonds are lawful and valid under the Constitution and laws of the State of Florida, particularly Chapter 617, Section 1004.28 and Section 1010.62, Florida Statutes, and other applicable provisions of law, a resolution adopted by the Board of Directors of the Issuer on October 30, 2019, as may be amended and supplemented from time to time, and the Trust Indenture dated as of July 1, 2012, as amended and supplemented, and as particularly amended and supplemented by the Third Supplemental Trust Indenture dated as of November 1, 2019, each by and between the Issuer and U.S. Bank National Association, as trustee, (ii) the Bonds are valid and legally binding obligations of the Issuer enforceable in accordance with their terms, or (iii) interest on the 2019A Bonds is excluded from the gross income of the owners of the 2019A Bonds for federal income tax purposes, or other tax consequences of owning the 2019A Bonds, we understand that you are relying upon the opinions delivered to you on the date hereof of David L. Kian, Esq., as Issuer’s Counsel, and Bryant Miller Olive P.A., as Bond Counsel, and, with your permission, for purposes of rendering this opinion as

Disclosure Counsel, we have assumed the accuracy of such opinions, have made no independent determination thereof, and no opinion is expressed herein as to such matters.

In requesting and accepting this letter, you recognize and acknowledge that: (i) the scope of the activities performed by us described above were inherently limited and do not encompass all activities that you may be responsible for undertaking in preparing the Official Statement; (ii) such activities relied substantially on representations, warranties, certifications, and opinions made by your representatives and others, and are otherwise subject to the matters set forth in this letter; and (iii) while statements of negative assurance are customarily given to underwriters of municipal securities to assist them in discharging their responsibilities under the federal securities laws, the responsibilities of the issuer of such securities under those laws may differ from those of underwriters in material respects, and this letter may not serve the same purpose or provide the same utility to you as it would to an underwriter of the Bonds.

Subject to the foregoing and on the basis of the information we gained in the course of performing the services referred to above, we confirm to you that no facts have come to the attention of the attorneys in our firm rendering legal services in connection with our engagement as Disclosure Counsel in this matter that cause them to believe that the Official Statement as of its date or as of the date hereof, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, we do not assume responsibility for the accuracy, completeness, or fairness of the statements contained in the Official Statement (including any appendices, schedules, and exhibits thereto), nor do we express any belief with respect to any demographic, financial, statistical and operating data, and forecasts, projections, numbers, estimates, assumptions, and expressions of opinion, and information concerning The Depository Trust Company and the book-entry system for the Bonds contained or incorporated by reference in the Official Statement (including any appendices, schedules, and exhibits thereto), which we expressly exclude from the scope of this paragraph.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

EXHIBIT C

FORM OF SECOND AMENDMENT TO GROUND SUBLEASE AGREEMENT

Prepared by and return to:
Kenneth R. Artin, Esquire
Bryant Miller Olive
135 West Central Blvd., Suite 700
Orlando, Florida 32801-2437

Under BOT Lease Number 2724

SECOND AMENDMENT TO GROUND SUBLEASE AGREEMENT

by and between

**FLORIDA ATLANTIC UNIVERSITY BOARD OF TRUSTEES,
as Lessor**

and

**THE FAU FINANCE CORPORATION
as Lessee**

Dated as of November 1, 2019

SECOND AMENDMENT TO GROUND SUBLEASE AGREEMENT

THIS SECOND AMENDMENT TO GROUND SUBLEASE AGREEMENT (hereinafter referred to as this "Second Amendment") is made and entered into as of November 1, 2019, by and between **THE FLORIDA ATLANTIC UNIVERSITY BOARD OF TRUSTEES** (the "University"), as lessor, and **THE FAU FINANCE CORPORATION**, a not-for-profit corporation organized and existing under the laws of the State of Florida, having an office in Boca Raton, Florida (the "Corporation"), as lessee.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Trust Indenture dated as of July 1, 2012, as amended and supplemented from time to time (the "Trust Indenture") by and between the Corporation and U.S. Bank National Association, as trustee, or the Ground Sublease Agreement dated as of March 4, 2010 (the "Original Ground Sublease") between the University and the Corporation.

WHEREAS, the University is the lessee of certain parcels of real property located in Palm Beach County, Florida under that certain Lease No. 2724 dated as of January 22, 1974 and that certain Lease No. 4189 dated as of May 18, 1998 (collectively, the "University Leases") each between the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (the "Board of Trustees") and the Florida Board of Regents as said University Leases were supplemented by assignment of the entire interest of the Florida Board of Regents to the University; and

WHEREAS, in connection with the issuance by the Corporation of its \$8,475,000 Capital Improvement Revenue Bonds (Innovation Village Project), Series 2010A-Tax Exempt, \$112,445,000 Capital Improvement Revenue Bonds (Innovation Village Project), Series 2010A-BAB and \$3,365,000 Capital Improvement Subordinate Revenue Bonds (Innovation Village Project), Series 2010B, the University and the Corporation made and entered into the Original Ground Sublease, as amended, under and pursuant to which the University agreed to ground sublease to the Corporation certain parcels of real property located in Palm Beach County, Florida (the "Original Premises"); and

WHEREAS, pursuant to a Trust Indenture dated as of July 1, 2012, as amended and supplemented, and as particularly amended and supplemented by that certain Third Supplemental Trust Indenture, dated as of November 1, 2019 (collectively, the "Indenture") by and between the Corporation and U.S. Bank National Association, as trustee, the Corporation has issued its \$[] Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B (the "Series 2019B Bonds"), the proceeds of which will be used to the finance the construction of a student housing facility on the Jupiter campus of the University with approximately 51,000 square feet, three stories with approximately 165 beds in full suite style configuration (the "Jupiter Facility"), and the construction of a student housing facility on the Boca Raton campus of the University with approximately 185,000 square feet, seven stories with approximately 616 beds in suite style configuration; and

WHEREAS, the University and the Corporation desire to enter into this Second Amendment in order to amend Exhibit "A" to the Original Ground Sublease to include additional parcels of real property that will be subject to the Original Ground Sublease (the "Added Property" and, together with the Original Premises, the "Premises") upon which the Jupiter Facility is to be constructed.

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto agree as follows:

SECTION 1. AMENDMENT OF THE PREMISES. The Premises leased to the Corporation by the University under and pursuant to the Original Ground Sublease is hereby amended to be described in Exhibit A attached to this Second Amendment.

SECTION 2. APPLICABILITY OF ORIGINAL GROUND SUBLEASE. Except as specifically modified herein, the Original Ground Sublease shall remain in full force and effect.

SECTION 4 COUNTERPARTS. This Second Amendment 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 5. LAWS. This Second Amendment shall be construed and governed in accordance with the laws of the State.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the University and the Corporation have caused this Second Amendment to be executed in duplicate, either of which may be considered an original, the day and year first above written.

WITNESSES:

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

Name: _____

By: _____

Name:

Name: _____

Title: President and Secretary to the Board of
Trustees

[SEAL]

ATTEST:

By: _____

Name: _____

Title: _____

WITNESSES:

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

Name: _____

By: _____

Name:

Name: _____

Title:

[CORPORATE SEAL]

ATTEST:

By: _____

Name:

Title: Secretary

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 by _____, and _____ as the _____ and _____ respectively, of THE FLORIDA ATLANTIC UNIVERSITY BOARD OF TRUSTEES. They are personally known to me or have produced _____ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: _____

Print: _____

My Commission Expires: _____

Title/Rank: _____

[SEAL]

Commission Number: _____

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____ and _____, as the Chairperson and the Secretary, respectively, of THE FAU FINANCE CORPORATION, a Florida not-for-profit corporation. They are personally known to me or have produced _____ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: _____

Print: _____

My Commission Expires: _____

Title/Rank: _____

Commission Number: _____

[SEAL]

CONSENT

Consented to by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida on this [____] day of [____], 2019.

_____, Operations and
Management Consultant Manager, Bureau of
Public Land Administration, Division of State
Lands, Department of Environmental
Protection

Approved as to Form and Legality

By: _____
DEP Attorney

EXHIBIT "A"

PREMISES DESCRIPTION

SIMULTANEOUS ASSIGNMENT

All of the rights of The FAU Finance Corporation hereunder are hereby assigned without recourse or warranty to U.S. Bank National Association, as Trustee, as successor in interest to and assignee of The FAU Finance Corporation under the Assignment.

WITNESSES:

THE FAU FINANCE CORPORATION, a
Florida not-for-profit corporation

Name: _____

By: _____
_____, Chairperson

Name: _____

ATTEST:

[CORPORATE SEAL]

By: _____

Name:

Title: Secretary

Dated: _____, 2019

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of _____ 2019, by _____ and _____, as the Chairperson and Secretary, respectively, of THE FAU FINANCE CORPORATION, a Florida not-for-profit corporation. They are personally known to me or have produced _____ as identification and have not taken an oath.

NOTARY PUBLIC:

Sign: _____

Print: _____

My Commission Expires: _____

Title/Rank: _____

Commission Number: _____

[SEAL]

EXHIBIT D

FORM OF DEVELOPMENT AGREEMENT

EXHIBIT E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Agreement") dated as of _____, 2019, is executed and delivered by The FAU Finance Corporation (the "Issuer"), in connection with the issuance by the Issuer of its \$_____ Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B and its \$_____ Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C (collectively, the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of Florida, including Chapter 617, Section 1004.28 and Section 1010.62, Florida Statutes, and other applicable provisions of law, a resolution adopted by the Board of Directors of the Issuer on _____, 2019, as may be amended and supplemented from time to time, and the Indenture described below. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Agreement is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters 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 who (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.

"Disclosure Representative" shall mean, initially, the Secretary/Treasurer of the Issuer, or such person or persons as the Issuer shall designate in writing to the Trustee from time to time.

"Dissemination Agent" shall mean, initially, the Issuer, 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 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 July 1, 2012, by and between the Issuer and the Trustee, as amended and supplemented from time to time, and as particularly supplemented by a Third Supplemental Trust Indenture dated as of _____ 1, 2019.

"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 or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"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 MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 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" shall mean the State of Florida.

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

SECTION 3. Provision of Annual Reports.

(a) The Issuer, acting through the Disclosure Representative, shall provide, or shall cause the Dissemination Agent (if other than the Issuer) to provide, not later than April 1 of the calendar year following the end of each Fiscal Year, commencing with the report for the Fiscal Year ended June 30, 2019, 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 Issuer changes, the Issuer, acting through the Disclosure Representative, shall notify the Dissemination Agent and the 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, acting through the Disclosure Representative, 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 Disclosure Representative 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 Trustee.

(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 Trustee (if the Dissemination Agent is not the 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 and audited financial report of the University, each for the prior Fiscal Year and prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements or University's audited financial report 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 or financial report, and the audited financial statements of the Issuer or audited financial report of the University, as applicable, shall be filed in the same manner as the Annual Report when they become available.

(b) Information for the preceding Fiscal Year included in the following charts under the headings "FLORIDA ATLANTIC UNIVERSITY," "UNIVERSITY HOUSING FACILITIES" and "SELECTED FINANCIAL INFORMATION" in the Official Statement for the Bonds:

- Enrollment by Student Type
- Admissions
- University Housing Facilities
- Fall Semester Occupancy
- Fall/Spring On-Campus Rental Rates -Per Semester
- Historical Operating Results

The audited financial statements and financial report described in (a) above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer 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, acting through the Disclosure Representative, 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;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material;

16. default, event of acceleration, termination event, modification of terms or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties; and
17. 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 Agreement 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 operational 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 Issuer, through its Disclosure Representative. 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 and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Issuer 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, 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 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 to comply with any provision of this Agreement, at the written direction of the Participating Underwriters, 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 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 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 covenants and agrees 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 also covenants and agrees 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 12 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 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:

To the Dissemination Agent:	The FAU Finance Corporation 777 Glades Road Boca Raton, Florida 33431 Attention: Stacey Bell, Secretary/Treasurer
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If to the Issuer:	The FAU Finance Corporation Florida Atlantic University 777 Glades Road Boca Raton, Florida 33431 Attention: Executive Director
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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 Dissemination Agent, the Issuer, the Participating Underwriters, 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 Issuer has executed this Agreement under seal on the date and year first written above.

THE FAU FINANCE CORPORATION

By: _____

Name: Art Kite

Title: Executive Director

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 2019B and \$_____ The FAU Finance Corporation Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C

Name of University: Florida Atlantic University

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the Issuer and the 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

EXHIBIT B
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the Bonds to which this event notice relates:

Number of pages attached: ____

____ Description of Notice Events (Check One):

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, IRS notices or events affecting the tax status of the security;"
7. ____ "Modifications to rights of securities holders, if material;"
8. ____ "Bond calls, if material;"
9. ____ "Defeasances;"
10. ____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. ____ "Rating changes;"
12. ____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. ____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. ____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. ____ "Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material;"
16. ____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties;" and
17. ____ "Notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Date: _____

EXHIBIT F

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT G

FORM OF ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated as of November __, 2019, by and between THE FAU FINANCE CORPORATION (the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as Escrow Agent and its successors and assigns (the "Escrow Agent");

WITNESSETH:

WHEREAS, pursuant to the Issuer's Resolution duly adopted on June 12, 2012 (the "Refunded Bonds Resolution") and that certain Indenture (as hereinafter defined) by and between the Issuer and U.S. Bank National Association, as Trustee, the Issuer has previously authorized and issued obligations, hereinafter defined as "Refunded Bonds," as to which the Total Debt Service (as hereinafter defined) is set forth on Schedule A; and

WHEREAS, the Issuer has determined to provide for payment of the Total Debt Service of the Refunded Bonds by depositing with the Escrow Agent an amount which together with investment earnings thereon is at least equal to such Total Debt Service; and

WHEREAS, in order to obtain the funds needed for such purpose, the Issuer has authorized and is, concurrently with the delivery of this Agreement, issuing its Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C, issued pursuant to a Trust Indenture, dated as of July 1, 2012 as supplemented, and as particularly supplemented by the Third Supplemental Trust Indenture dated as of _____ 1, 2019 both by and between the Issuer and U.S. Bank National Association, as Trustee (collectively, the "Indenture"); and

WHEREAS, the execution of this Agreement and full performance of the provisions hereof shall defease and discharge the Issuer from the aforestated obligations;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Issuer and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms mean:

(a) "**Agreement**" means this Escrow Deposit Agreement.

(b) "**Call Date**" means July 1, 2022.

(c) "**Bonds**" the Issuer's Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C, issued under the Indenture.

(d) "**EMMA**" means the Electronic Municipal Marketplace Access system of the Municipal Securities Rulemaking Board.

(e) "**Escrow Fund**" means the account hereby created and entitled Escrow Fund established and held by the Escrow Agent pursuant to this Agreement, in which cash and investments will be held for payment of the principal of and accrued interest on the Refunded Bonds as they become due and payable.

(f) "**Escrow Agent**" means U.S. Bank National Association having a designated corporate trust office in Fort Lauderdale, Florida, and its successors and assigns.

(g) "**Escrow Requirement**" means, as of any date of calculation, the sum of an amount in cash and principal amount of Investment Obligations in the Escrow Fund which together with the interest to become due on the Investment Obligations will be sufficient to pay the Total Debt Service on the Refunded Bonds in accordance with Schedule A.

(h) "**Indenture**" means the Trust Indenture, dated as of July 1, 2012 as supplemented, and as particularly supplemented by the Third Supplemental Trust Indenture dated as of _____ 1, 2019 both by and between the Issuer and U.S. Bank National Association, as Trustee.

(i) "**Issuer**" means The FAU Finance Corporation.

(j) "**Investment Obligations**" means Government Obligations as defined in the Indenture.

(k) "**Refunded Bonds**" means the Issuer's Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A (the "Series 2012 Bonds") maturing on and after July 1, 2023.

(l) "**Series 2019C Bonds**" means the Issuer's Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C.

(m) "**Resolution**" means the Resolution adopted by the Issuer on October 14 2019 authorizing the issuance of the Bonds and the refunding of the Refunded Bonds.

(n) "**Total Debt Service**" means the sum of the principal and interest remaining unpaid with respect to the Refunded Bonds and redemption premium, if any, in accordance with Schedule A attached hereto.

SECTION 2. Discharge of Lien of Holders of Refunded Bonds. The Issuer by this writing exercises its option to have the pledges, liens and obligations to the holders of the Refunded Bonds under the Indenture no longer be in effect in accordance with the terms of the Indenture.

SECTION 3. Establishment of Escrow Fund. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "The FAU Finance Corporation Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A Escrow Deposit Fund" (the "Series 2012A Escrow Fund"). The Escrow Fund shall be held in the custody of the Escrow Agent as a trust fund for the benefit of the Holders (as defined in the Indenture) of the Refunded Bonds, separate and apart from other funds and accounts of the Issuer and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit to the credit of the Escrow Fund the sum of \$_____ received from the Issuer from the proceeds of the Bonds [and \$_____ transferred from the Debt Service Fund established under the Indenture and \$_____ transferred from the Series 2012 Account of the Reserve Fund established under the 2012 Trust Indenture (collectively, the "Escrow Proceeds").]

SECTION 4. Use and Investment of Funds. The Issuer directs the Escrow Agent to:

(a) to hold the funds and investments purchased pursuant to this Agreement in irrevocable escrow during the term of this Agreement for the sole benefit of the holders of the Refunded Bonds;

(b) to immediately invest \$_____ currently on deposit in the Series 2012A Escrow Fund as set forth in Schedule B attached hereto and to hold such securities and cash proceeds therefrom in accordance with the terms of this Agreement. The remaining cash balance equal to \$_____ shall be held uninvested by the Escrow Agent.

(c) in the event the securities described on Schedule B cannot be purchased, substitute securities may be purchased upon the direction of the Issuer to the Escrow Agent but only upon receipt of verification from an independent certified public accountant that the cash and securities deposited will not be less than the Escrow Requirement and only upon receipt by the Escrow Agent of an opinion of nationally recognized bond counsel that such securities constitute Investment Obligations for purposes of this Agreement;

(d) to make no investment of funds except as set forth in this Section 4 or in Section 6 hereof; and

(e) in reliance upon the Verification Report dated _____, 2019 prepared by _____ (the "Verification Agent"), the Issuer represents that the interest on and the principal amounts successively maturing on the Investment Obligations in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest), are sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal of, redemption premium, if any, and interest due and to become due on the Refunded Bonds as described in Schedule A attached hereto.

SECTION 5. Payment of Refunded Bonds and Expenses.

(a) Refunded Bonds. On the dates and in the amounts set forth on Schedule A, the Escrow Agent is directed by the Issuer to transfer to U.S. Bank National Association the Paying Agent for the Refunded Bonds (the "Paying Agent"), in immediately available funds, solely from amounts available in the Escrow Fund, a sum sufficient to pay that portion of the Total Debt Service for the Refunded Bonds coming due on such dates, as shown on Schedule A.

(b) Surplus. After making the payments from the Escrow Fund described in Subsection 5(a) above, the Escrow Agent shall retain in the Escrow Fund any remaining cash in the Escrow Fund in excess of the Escrow Requirement until the termination of this Agreement, and shall then apply any remaining funds pursuant to terms of the Indenture.

(c) Priority of Payments. The holders of the Refunded Bonds shall have an express first lien on the funds and Investment Obligations in the Escrow Fund until such funds and Investment Obligations are used and applied as provided in this Agreement.

SECTION 6. Reinvestment.

(a) Except as provided in Section 4 and in this Section 6, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Investment Obligations held hereunder.

(b) At the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Investment Obligations acquired hereunder and shall substitute other Investment Obligations. The Issuer will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which will cause interest on the Refunded Bonds to be included in the gross income of the holders thereof for purposes of Federal income taxation. The transactions may be effected only if (i) an independent certified public accountant selected by the Issuer shall certify or opine in writing to the Issuer and the Escrow Agent that the cash and principal amount of Investment Obligations remaining on hand after the transactions are completed will be not less than the Escrow Requirement, and (ii) the Escrow Agent shall receive an opinion from a nationally recognized bond counsel acceptable to the Issuer to the effect that the transactions, in and by themselves will not cause interest on such Refunded Bonds to be included in the gross income of the holders thereof for purposes of Federal income taxation and such substitution is in compliance with this Agreement.

SECTION 7. Redemption of Refunded Bonds. The Issuer hereby irrevocably instructs the Escrow Agent to request, on behalf of the Issuer, that the Paying Agent for the Refunded Bonds call the Refunded Bonds for redemption in accordance with the terms of this Agreement and the Indenture and to give, at the appropriate times, the notice or notices required by the Indenture in connection with the defeasance of the Refunded Bonds. Such notice of redemption shall be given by the Refunded Bonds Paying Agent in accordance with the Indenture. All of

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the Refunded Bonds maturing on and after July 1, 2023 are hereby called and shall be redeemed on July 1, 2022 at a redemption price equal to the par amount of the Refunded Bonds plus accrued interest to the date of redemption. Such notice shall be substantially in the form of Schedule C attached hereto.

The Escrow Agent shall also cause a notice of defeasance to be posted on EMMA and sent to the holders of the Refunded Bonds within five (5) days of the date hereof. Such notice shall be in substantially the form of Schedule D attached hereto.

SECTION 8. Indemnification. To the extent permitted by law, the Issuer shall indemnify the Escrow Agent from and against any liabilities, losses, damages and expenses incurred by the Escrow Agent in any way relating to or arising out of or in connection with the acceptance or administration of the powers and duties of the Escrow Agent pursuant to the provisions of this Agreement; provided, however, that the Issuer shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. Except as to the holders of the Refunded Bonds, in no event shall the Issuer or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other. The foregoing indemnity shall survive the termination of this Agreement or the Escrow Agent's resignation or its removal, if any.

SECTION 9. Escrow Fund Irrevocable. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on all Investment Obligations deposited in the Escrow Fund pursuant to the terms hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement or the Indenture. Neither the Issuer nor the Escrow Agent shall cause nor shall the Issuer permit any other lien or interest whatsoever to be imposed upon the Escrow Fund.

SECTION 10. Responsibilities of Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the funds deposited therein, the purchase of the Investment Obligations, the retention of the Investment Obligations or the proceeds thereof or for any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent or non-willful act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be responsible for its negligent or willful failure to comply with its duties required hereunder, and its negligent or willful acts, omissions or errors hereunder. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits). The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent may consult with counsel, at the Issuer's expense, who may or may not be

counsel to the Issuer, and in conclusive reliance upon the opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer. Any payment obligation of the Escrow Agent hereunder shall be paid from and is limited to funds available, established and maintained hereunder and the Escrow Agent shall not be required to expend its own funds for the performance of its duties under this Agreement. The Escrow Agent may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Escrow Agent may conclusively rely upon and shall be fully protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

SECTION 11. Resignation of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer, any rating agency then providing a rating on either the Refunded Bonds or the Bonds, and the Paying Agent for the Refunded Bonds not less than sixty (60) days before such resignation shall take effect. Such resignation shall not take effect until the appointment of a new Escrow Agent hereunder.

SECTION 12. Removal of Escrow Agent.

(a) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the holders of not less than fifty-one percent (51%) in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the Issuer, and notice in writing given by such holders to the original purchaser or purchasers of the Bonds and the Note. A photographic copy of any instrument filed with the Issuer under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Agent by any court of competent jurisdiction upon the application of the Issuer or the holders of not less than five percent (5%) in aggregate principal amount of the Bonds then outstanding, or the holders of not less than five percent (5%) in aggregate principal amount of the Refunded Bonds then outstanding.

(c) The Escrow Agent may not be removed until a successor Escrow Agent has been appointed in the manner set forth herein.

SECTION 13. Successor Escrow Agent.

(a) If at any time hereafter the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall appoint an Escrow Agent to fill such vacancy. The Issuer shall mail a notice of any such appointment made by it to the holders of the Refunded Bonds within thirty (30) days after such appointment.

(b) At any time within one year after such vacancy shall have occurred, the holders of a majority in principal amount of the Bonds then outstanding or a majority in principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed by either group of such bondholders and filed with the governing body of the Issuer, may appoint a successor Escrow Agent, which shall supersede any Escrow Agent theretofore appointed by the Issuer. Photographic copies of each such instrument shall be delivered promptly by the Issuer, to the predecessor Escrow Agent and to the Escrow Agent so appointed by the bondholders. In the case of conflicting appointments made by the bondholders under this paragraph, the first effective appointment made during the one year period shall govern.

(c) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within sixty (60) days of the delivery of a notice of resignation or removal, the holder of any Refunded Bonds then outstanding, or any retiring Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

SECTION 14. Payment to Escrow Agent. The Escrow Agent hereby acknowledges that it has agreed to accept compensation under the Agreement in the sum of [\$_____] payable at delivery, for services to be performed by the Escrow Agent pursuant to this Agreement, plus out-of-pocket expenses (including attorneys' fees, costs and expenses) to be reimbursed at cost from legally available funds of the Issuer.

SECTION 15. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Bonds have been paid and discharged in accordance with the proceedings authorizing the Refunded Bonds, except as provided in Section 8 hereof.

SECTION 16. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreements herein contained shall be null and void and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 17. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds, the Bonds and the Note and it shall not be repealed, revoked, altered or amended in whole or in part without the written consent of all affected holders, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent, for the benefit of the holders of the Bonds, the Note and the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall, at its option, be entitled to request at the Issuer's expense and rely exclusively upon an opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to the Issuer with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 18. Third Party Beneficiary. Reserved.

SECTION 19. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 20. Governing Law. This Agreement shall be construed under the laws of the State of Florida without regard to conflict of law principles.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and, in the case of the Issuer, its corporate seal to be hereunto affixed and attested as of the date first above written.

THE FAU FINANCE CORPORATION

By: _____
Its: Chairman

**U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent**

By: _____
Name: _____
Title: _____

SCHEDULE A

**SCHEDULE OF DEBT SERVICE FOR
THE FAU FINANCE CORPORATION
CAPITAL IMPROVEMENT REVENUE BONDS,
(STUDENT HOUSING PROJECT), SERIES 2012A**

PAYMENT <u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>REDEEMED PRINCIPAL</u>	<u>TOTAL DEBT SERVICE</u>
07/01/2022	\$ _____	\$ _____	\$ _____	\$ _____

SCHEDULE B

SCHEDULE OF INVESTMENT OBLIGATIONS

<u>TYPE</u>	MATURITY <u>DATE</u>	<u>RATE</u>	<u>PAR AMOUNT</u>	TOTAL <u>COST</u>
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SCHEDULE C

NOTICE OF REDEMPTION THE FAU FINANCE CORPORATION CAPITAL IMPROVEMENT REVENUE BONDS, (STUDENT HOUSING PROJECT) SERIES 2012A

NOTICE IS HEREBY GIVEN, pursuant to that certain Trust Indenture dated as of July 1, 2012 by and between The FAU Finance Corporation (the "Issuer") and U.S. Bank National Association, as Trustee (the "Trust Indenture"), that the following outstanding Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A, originally issued on July 18, 2012, will be called for early redemption on July 1, 2022 at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption (the "Redemption Price").

CUSIP Number*	Maturity (July 1)	Principal Amount (\$)	Interest Rate (%)
31200CAZ9	2023	\$ 1,235,000	5.00
31200CBA3	2024	1,285,000	3.50
31200CBB1	2025	1,335,000	3.50
31200CBC9	2026	1,380,000	3.75
31200CBD7	2027	1,435,000	3.75
31200CBE5	2028	1,490,000	4.00
31200CBF2	2029	1,555,000	4.00
31200CBG0	2030	1,615,000	4.00
31200CBH8	2031	1,680,000	4.00
31200CBJ4	2032	1,750,000	4.00
31200CBK1	2037	9,945,000	4.25
31200CBL9	2042	5,000,000	5.00
31200CBM7	2042	7,400,000	4.25

The owners and holders of the designated bonds are directed to surrender same for payment of the Redemption Price to U.S. Bank National Association where such bonds and the interest accrued thereon will be paid on July 1, 2022.

*CUSIP numbers have been assigned by CUSIP Service Bureau and are included solely for the convenience of the bondholders. Neither the Issuer nor U.S. Bank National Association shall be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to its correctness on any bond or as indicated in any notice.

Notice is further given that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof together with interest

accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable.

IMPORTANT TAX NOTICE

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent**

Publication Date: _____,

SCHEDULE D

NOTICE OF DEFEASANCE
THE FAU FINANCE CORPORATION
CAPITAL IMPROVEMENT REVENUE BONDS (STUDENT HOUSING PROJECT),
SERIES 2012A
DATED DATE: July 18, 2012

NOTICE IS HEREBY GIVEN to the holders of The FAU Finance Corporation Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A described below (the "Defeased Bonds") that the Defeased Bonds maturing on July 1 in the years 2020 through and including 2042, as described below have been legally defeased and that the Defeased Bonds maturing on and after July 1, 2023 will be called for early redemption on July 1, 2022 at the principal amount thereof, plus accrued interest to the date of redemption;

<u>CUSIP</u> <u>Number*</u>	<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Interest</u> <u>Rate (%)</u>
31200CAW6	2020	\$1,090,000	4.00
31200CAX4	2021	1,135,000	4.00
31200CAY2	2022	1,180,000	4.00
31200CAZ9	2023	\$ 1,235,000	5.00
31200CBA3	2024	1,285,000	3.50
31200CBB1	2025	1,335,000	3.50
31200CBC9	2026	1,380,000	3.75
31200CBD7	2027	1,435,000	3.75
31200CBE5	2028	1,490,000	4.00
31200CBF2	2029	1,555,000	4.00
31200CBG0	2030	1,615,000	4.00
31200CBH8	2031	1,680,000	4.00
31200CBJ4	2032	1,750,000	4.00
31200CBK1	2037	9,945,000	4.25
31200CBL9	2042	5,000,000	5.00
31200CBM7	2042	7,400,000	4.25

and that the deposit required by Article VII of the Trust Indenture of moneys has been made and the Defeased Bonds are no longer Outstanding under the Indenture. Said deposit was

made on _____, 2019 in irrevocable escrow with U.S. Bank National Association, as Escrow Agent, at the following address:

U.S. Bank National Association
Global Corporate Trust
500 West Cypress Creek Road, Suite 460
Fort Lauderdale, Florida 33309

*CUSIP numbers have been assigned by CUSIP Service Bureau and are included solely for the convenience of the bondholders. Neither the Issuer nor U.S. Bank National Association shall be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to its correctness on any bond or as indicated in any notice.

**U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent**

Dated this _____ day of _____, 2019

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

NEW ISSUE – FULL-BOOK ENTRY

RATINGS:

Moody's: "A1" (stable outlook)

Fitch: "A+" (stable outlook)

(See "RATINGS" herein)

In the opinion of bond counsel, assuming compliance by the Issuer with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2019B Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2019C Bonds is not excluded from gross income for federal income tax purposes of the holders thereof. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2019B and C Bonds.

\$ _____ *

**THE FAU FINANCE CORPORATION
CAPITAL IMPROVEMENT REVENUE BONDS
(STUDENT HOUSING PROJECT),
SERIES 2019B**

\$ _____ *

**THE FAU FINANCE CORPORATION
TAXABLE CAPITAL IMPROVEMENT
REFUNDING REVENUE BONDS
(STUDENT HOUSING PROJECT),
SERIES 2019C**

Dated: Date of Delivery

Due: July 1, as shown on inside cover

The Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B (the "Series 2019B Bonds") and the Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C (the "Series 2019C Bonds" and, together with the Series 2019B Bonds, the "Series 2019B and C Bonds") offered hereby by The FAU Finance Corporation (the "Issuer") pursuant to the provisions of a Trust Indenture dated as of July 1, 2012, as amended and supplemented (the "Master Indenture"), and as particularly supplemented by the Third Supplemental Trust Indenture dated as of November 1, 2019 (the "Third Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee") will be issued as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2019B and C Bonds. Individual purchases of the Series 2019B and C Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Interest on the Series 2019B and C Bonds is payable on July 1, 2020 and semiannually thereafter on each January 1 and July 1. Payments of principal of, redemption premium, if any, and interest on the Series 2019B and C Bonds are to be made to purchasers by DTC through the Participants (defined herein). Purchasers will not receive physical delivery of the Series 2019B and C Bonds. See "THE SERIES 2019B AND C BONDS" herein.

The Series 2019B and C Bonds are subject to optional and mandatory redemption as described herein. See "THE SERIES 2019B AND C BONDS" herein.

Proceeds from the Series 2019B Bonds will be used (i) to finance the construction of an approximately 51,000 square foot, three story, student housing facility on the John D. MacArthur Jupiter campus of Florida Atlantic University (the "University"), with approximately 165 beds in full suite style configuration, and the construction of an approximately 185,920 square foot, seven story student housing facility on the Boca Raton Campus of the University, with approximately 615 beds in suite style configuration, each as further described herein and (ii) to pay the costs of issuance of the Series 2019B Bonds. See "THE 2019B PROJECT" herein.

Proceeds from the Series 2019C Bonds, along with other legally available funds of the Issuer, if any, will be used (i) to advance refund on a taxable basis all or a portion of the Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A, and (ii) to pay the costs of issuance of the Series 2019C Bonds.

The Series 2019B and C Bonds, together with interest thereon, are limited obligations payable solely from the Pledged Revenues, on a parity with the Issuer's Outstanding Capital Improvement Revenue Bond (Student Housing Project), Series 2012B and Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019A. Pledged Revenues include (i) the System Revenues (as defined herein) net of amounts needed to pay Operating Expenses (as defined herein), (ii) Excess Housing Revenues (as defined herein), and (iii) moneys on deposit in the funds and accounts established under the Indenture and investment earnings thereon, but excluding moneys on deposit in the accounts and subaccounts established in the Rebate Fund and the Cost of Issuance Fund (each as defined herein). See "SECURITY FOR THE SERIES 2019B AND C BONDS - Pledged Revenues" herein.

The Series 2019B and C Bonds, together with interest thereon, are not general or moral obligations of the Issuer, and do not constitute an obligation, either general or special of the State of Florida (the "State"), or the University. Neither the full faith and credit of the State, the University, nor any other political subdivision or agency of the State is pledged to the payment of the principal of, redemption premium, if any, or interest on the Series 2019B and C Bonds, and the Series 2019B and C Bonds and all other obligations of the Issuer under the Indenture shall not constitute an indebtedness of the State, the University, or any political subdivision or agency of the State within the meaning of any State constitutional provision or statutory limitation. The issuance of the Series 2019B and C Bonds does not directly or indirectly or contingently obligate any such governmental entity or agency to levy any ad valorem taxes whatsoever or to make any appropriation for their payment except from the Pledged Revenues. The Series 2019B and C Bonds and all other obligations of the Issuer under the Indenture and the transactions contemplated thereby shall not be a charge against the general credit or taxing powers of the State, the University, or any political subdivision or agency of the State. The Series 2019B and C Bonds and all other obligations of the Issuer under the Indenture and the transactions contemplated thereby shall not give rise to a pecuniary liability of the Issuer, the State, the University, or any political subdivision or agency of the State. The Issuer has no taxing power.

The Series 2019B and C Bonds are offered for delivery when, as and if issued by the Issuer and received by the Underwriters (as defined herein), subject to the approving opinion as to legality by Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel. Bryant Miller Olive P.A., Orlando, Florida, is acting as Disclosure Counsel to the Issuer. Certain legal matters will be passed upon for the University by the Office of General Counsel. Certain legal matters will be passed upon for the Underwriters by Foley & Lardner LLP, Jacksonville, Florida. Dunlap and Associates, Inc., Orlando, Florida, is serving as Financial Advisor to the Issuer. It is expected that the Series 2019B and C Bonds in definitive book entry form will be available for delivery through DTC in New York, New York on or about _____, 2019.

BofA Merrill Lynch

Raymond James

Dated: _____, 2019.

* Preliminary, subject to change.

\$ _____ *

**THE FAU FINANCE CORPORATION
CAPITAL IMPROVEMENT REVENUE BONDS
(STUDENT HOUSING PROJECT),
SERIES 2019B**

**MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS
AND INITIAL CUSIP NUMBERS**

\$ _____ Series 2019B Serial Bonds

Maturity (July 1)*	<u>Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	Initial CUSIP <u>Number**</u>
-------------------------------	-----------------------	---------------------------------	---------------------	---------------------	--

Series 2019B Term Bonds

\$ _____ – ____ % Series 2019B Term Bond due July 1, 20__ – Priced at ____ % - Yield ____ % -
CUSIP*:

\$ _____ – ____ % Series 2019B Term Bond due July 1, 20__ – Priced at ____ % - Yield ____ % -
CUSIP*:

\$ _____ *

THE FAU FINANCE CORPORATION
TAXABLE CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS
(STUDENT HOUSING PROJECT),
SERIES 2019C

MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS
AND INITIAL CUSIP NUMBERS

\$ _____ Series 2019C Serial Bonds

Maturity <u>(July 1)*</u>	<u>Amount*</u>	Interest <u>Rate</u>	Price	Yield	Initial CUSIP <u>Number**</u>
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Series 2019C Term Bonds

\$ _____ – ____% Series 2019C Term Bond due July 1, 20__ – Priced at ____% - Yield ____% - CUSIP*:

\$ _____ – ____% Series 2019C Term Bond due July 1, 20__ – Priced at ____% - Yield ____% - CUSIP*:

* Preliminary, subject to change.

** The Issuer is not responsible for the use of the CUSIP Numbers referenced herein nor is any representation made by the Issuer as to their correctness. The CUSIP Numbers provided herein are included solely for the convenience of the readers of this Official Statement.

RED HERRING LANGUAGE:

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2019B and C Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The Issuer has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

**THE FAU FINANCE CORPORATION
BOARD OF DIRECTORS**

Anthony K.G. Barbar
J. Michael Woody, Jr.
Robert K. Rollins, Jr.
Thomas Workman, Jr.

ISSUER'S COUNSEL

Office of General Counsel
Florida Atlantic University
Boca Raton, Florida

BOND COUNSEL

Bryant Miller Olive P.A.
Orlando, Florida

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Orlando, Florida

FINANCIAL ADVISOR

Dunlap & Associates, Inc.
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the Issuer to give any information or to make any representations in connection with the Series 2019B and C Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2019B and C Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Issuer, The Depository Trust Company, and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Issuer with respect to any information provided by others. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2019B AND C BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2019B AND C BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2019B and C Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters listed on the cover page hereof have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2019B AND C BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2019B AND C BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTION "BONDHOLDERS' RISKS" HEREIN. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT. ASIDE FROM ITS CUSTOMARY FINANCIAL REPORTING ACTIVITIES, THE ISSUER DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS

OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN, INCLUDING THE ISSUER'S/ UNIVERSITY'S WEBSITE OR ANY OTHER WEBSITE CONTAINING INFORMATION ABOUT THE ISSUER OR THE UNIVERSITY, ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15c2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE ISSUER	2
Board of Directors of the Issuer	2
Executive Director of the Issuer	3
Key Personnel of the University	4
AUTHORIZATION FOR BONDS	4
THE 2019B PROJECT	4
The 2019B Project	4
Development Agreement	5
General Contractor and Construction Contract	5
Architect	6
THE 2019C PLAN OF REFUNDING	6
ESTIMATED SOURCES AND USES OF FUNDS	8
THE SERIES 2019B AND C BONDS	9
General	9
Book-Entry Only System	10
Optional Redemption	12
Mandatory Redemption	12
Notice of Redemption	14
Effect of Redemption	14
SECURITY FOR THE SERIES 2019B AND C BONDS	15
Limited Obligations	15
Trust Estate	15
Pledged Revenues	16
Outstanding Parity Bonds	17
No Reserve Fund for Series 2019B and C Bonds	17
Additional Bonds	17
Refunding Outstanding Bonds	19
Rate Covenant	20
Satisfaction and Discharge	20
Enforceability of Remedies	21
THE STATE UNIVERSITY SYSTEM	21
FLORIDA ATLANTIC UNIVERSITY	22
General	22
Enrollment	23
Admissions	23
Limited Role of Board of Trustees in Connection with the Bonds	24
UNIVERSITY HOUSING FACILITIES	24
General	24
Housing Facilities	24
Lease and Ground Sublease of Housing Facilities	25
Director of University Housing	25
Staffing	25

Housing Facilities	26
Capital Improvement Plan and Repair and Replacement Funds	28
Insurance on Facilities	29
Housing Needs Assessment	29
Occupancy Statistics	30
Payment and Collection Information	31
On-Campus Rental Rates	31
Comparison of Off-Campus Rental Rates.....	33
SELECTED FINANCIAL INFORMATION.....	36
Budgetary Information	36
Historical Operating Results and Pro Forma Debt Service Coverage.....	37
BOND DEBT SERVICE REQUIREMENT FOR SERIES 2019B AND C BONDS AND OUTSTANDING PARITY BONDS.....	39
BONDHOLDERS' RISKS	40
Introduction	40
Revenues from Operation of the Housing System and DBF Facilities	40
Limited Obligations of the Issuer.....	40
Required Occupancy Levels and Rents.....	41
Insurance and Legal Proceedings	42
Governmental Regulation	42
Risks of Construction; Delay	42
Certain Interests and Claims of Others	42
Enforceability of Remedies	43
Market for the Series 2019B and C Bonds	43
Additional Bonds	43
Risk of Audit by Internal Revenue Service	43
Taxation of Series 2019B Bonds	44
Climate Change and Natural Disasters.....	44
Cybersecurity	44
Recent Constitutional Amendment	44
THE INDENTURE	45
Creation of Funds and Accounts.....	45
Flow of Funds	45
Debt Service Fund	47
Reserve Fund	48
Costs of Issuance	49
Construction Fund	50
2019B Rebate Account	50
Repair and Replacement Fund	51
Surplus Fund.....	51
Covenants of the Issuer	51
Investment of Moneys	52
Amounts Remaining in Funds and Accounts	53
Defaults; Events of Default	53
Acceleration	53
THE MANAGEMENT AGREEMENT AND THE MANAGER	54

LEGAL MATTERS.....	54
LITIGATION	55
TAX MATTERS	55
Series 2019B Bonds.....	55
Series 2019C Bonds	57
FINANCIAL ADVISOR	59
VERIFICATION OF ARITHMETICAL COMPUTATIONS	59
RATINGS	60
UNDERWRITING.....	60
CONTINGENT FEES.....	61
ENFORCEABILITY OF REMEDIES	61
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS	61
CONTINUING DISCLOSURE	62
FINANCIAL STATEMENTS.....	62
ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT	62
AUTHORIZATION OF OFFICIAL STATEMENT	64
APPENDIX A- AUDITED FINANCIAL REPORT OF THE FAU FINANCE CORPORATION FOR THE YEAR ENDED JUNE 30, 2019	
APPENDIX B - FINANCIAL STATEMENTS OF FLORIDA ATLANTIC UNIVERSITY FOR FISCAL YEAR ENDED JUNE 30, 2018	
APPENDIX C - FORM OF INDENTURE	
APPENDIX D- FORM OF BOND COUNSEL OPINION	
APPENDIX E - FORM OF CONTINUING DISCLOSURE UNDERTAKING	

OFFICIAL STATEMENT
relating to the issuance of

\$ _____ *

THE FAU FINANCE CORPORATION
CAPITAL IMPROVEMENT REVENUE BONDS
(STUDENT HOUSING PROJECT),
SERIES 2019B

\$ _____ *

THE FAU FINANCE CORPORATION
TAXABLE CAPITAL IMPROVEMENT
REFUNDING REVENUE BONDS
(STUDENT HOUSING PROJECT),
SERIES 2019C

INTRODUCTION

The purpose of this Official Statement, including the cover page hereof and Appendices hereto, is to provide information concerning the proposed issuance by The FAU Finance Corporation (the "Issuer") of its Capital Improvement Revenue Bonds (Student Housing Project), Series 2019B (the "Series 2019B Bonds") and its Taxable Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019C (the "Series 2019C Bonds" and, together with the Series 2019B Bonds, the "Series 2019B and C Bonds").

The Series 2019B and C Bonds are issued under the authority of and in full compliance with the Constitution and the laws of the State of Florida (the "State"), particularly Chapter 617, Section 1004.28 and Section 1010.62, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), a resolution adopted by the Board of Directors of the Issuer on _____, 2019, as may be amended and supplemented from time to time, and the Trust Indenture dated as of July 1, 2012, as amended and supplemented (the "Master Indenture"), and as particularly supplemented by the Third Supplemental Trust Indenture dated as of November 1, 2019 (the "Third Supplemental Indenture" and, collectively, the "Indenture"), each by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee").

The lien of the Series 2019B and C Bonds on the Pledged Revenues (as defined herein) is on parity with the Issuer's Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A not refunded with proceeds of the Series 2019C Bonds, if any (the "Unrefunded 2012A Bonds"), Capital Improvement Revenue Bond (Student Housing Project), Series 2012B, issued in the aggregate principal amount of \$3,440,000 and currently outstanding in the principal amount of \$1,735,000 (the "Series 2012B Bond") and Capital Improvement Refunding Revenue Bonds (Student Housing Project), Series 2019A, issued in the aggregate principal amount of \$90,600,000 and currently outstanding in the principal amount of \$89,110,000 (the "Series 2019A Bonds" and, together with the Series 2012B Bond and the Unrefunded 2012A Bonds, the "Outstanding Parity Bonds").

Proceeds from the Series 2019B Bonds will be used (i) to finance the construction of an approximately 57,000 square foot, three story, student housing facility (the "2019B Jupiter Housing Facility") on the John D. MacArthur Jupiter campus (the "JDM Jupiter Campus") of Florida Atlantic University (the "University"), with approximately 165 beds in full suite style configuration, and the construction of an approximately 185,920 square foot, seven story student housing facility (the "2019B Boca

* Preliminary, subject to change.

Raton Housing Facility") on the Boca Raton Campus of the University (the "Boca Raton Campus"), with approximately 615 beds in suite style configuration, each as further described herein (collectively, the "2019B Project") and (ii) to pay the costs of issuance of the Series 2019B Bonds. See "THE 2019B PROJECT" herein.

Proceeds from the sale of the Series 2019C Bonds, along with other legally available funds of the Issuer, if any, will be used (i) to advance refund on a taxable basis all or a portion of the Capital Improvement Revenue Bonds (Student Housing Project), Series 2012A (the "Refunded Bonds"), and (ii) to paying the costs of issuance of the Series 2019C Bonds.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings as ascribed to them in the Indenture. See "APPENDIX C – FORM OF INDENTURE" attached hereto.

The description of the Series 2019B and C Bonds herein and of the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references herein to such documents, agreements and reports are qualified in their entirety by reference to such documents, agreements and reports. All summaries herein of the Series 2019B and C Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements. Copies of documents and reports not reproduced in this Official Statement and further information with regard to the Issuer may be obtained from the Issuer at the following address: The FAU Finance Corporation, c/o Florida Atlantic University, 777 Glades Road, Administration Bldg. – Room 345, Boca Raton, Florida 33431-0991.

THE ISSUER

The Issuer was organized in 2009 as a not-for-profit corporation under Chapter 617, Florida Statutes, and was certified by The Florida Atlantic University Board of Trustees (the "Board of Trustees") as a direct-support organization pursuant to Section 1004.28, Florida Statutes. The Issuer is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. The Issuer is governed by a Board of Directors. The Board of Directors is appointed as follows: (a) one member is the President of the University or the President's designee; (b) one member appointed by the chair of the University Board of Trustees; and (c) a minimum of three (3) additional Directors appointed by the President of the University and approved by the University's Board of Trustees. The Executive Director of the Issuer is selected and appointed by the President of the University, in consultation with the Chairperson of the Issuer.

Board of Directors of the Issuer

Mr. Anthony K.G. Barbar is President and Chief Executive Officer of Barbar & Associates, LLC and has been involved in the acquiring, planning, financing, developing, consulting, advising, managing, leasing and sales of real estate projects for the past 30 years. During his 30-year career in real estate, Mr. Barbar has handled the purchase negotiations for over \$1 billion in commercial and residential properties and commercial lease negotiations for more than 1,000,000 square feet of space. Mr. Barbar is a member of the Florida Association of Realtors where he is a director and a member of the Commercial Alliance Committee. He is active in many community and civic organizations and serves on the Board of Trustees of both Florida Atlantic University and Palm Beach Atlantic University. Mr. Barbar and his wife live in Boca Raton, Florida.

Mr. J. Michael Woody, Jr. is the Executive Vice President & Palm Beach Market Leader at Professional Bank and has over 11 years of experience in the financial services industry. He is responsible for new business development focused on providing lending and depository products and services to companies and high net worth individuals in the Palm Beach market. Michael has dedicated his career to building relationships with families and business owners in the South Florida community. He holds a Masters of International Business Administration from the University of South Carolina and a Bachelors of Arts from Sewanee, The University of the South. In addition, Mr. Woody is on the Advisory Board at St. Mark's Episcopal School in Palm Beach Gardens, Florida.

Mr. Robert K. Rollins, Jr. is a Principal and President of The Beacon Group, Inc., Mr. Rollins began his insurance career in 1969 as an Underwriter with The Aetna Life & Casualty. In 1973, Mr. Rollins joined the Aetna Insurance Company as a Marketing Representative and concluded his career with this company as Marketing Manager. In 1979, Mr. Rollins and Donald Dresback formed The Beacon Group, Inc., a full service commercial insurance agency which currently has 30 employees. Mr. Rollins earned his Chartered Properly Casualty Underwriting designation in 1983 and has received the designations of Certified Insurance Consultant and Accredited Advisor in Insurance. He graduated with a Bachelor of Science Degree in Business Administration from the University of Montevallo and has done post graduate work in accounting at the University of Alabama Birmingham.

Mr. Rollins served as the Chairman of the Insurance Committee for Florida Youth Soccer Association for 19 years and devotes his free time to working with the youth in the community with such organizations as Boca Hoops and Soccer Association of Boca Raton. He currently holds the elected position of Commissioner with The Greater Boca Raton Beach and Parks District, is past President of South Palm Beach County Independent Insurance Agents, Past President of Boca Raton Rotary Club, Recipient of FAU Presidents Talon Award for service to the University, FAU 1961 Society Loyalty Award, served on FAU Athletic Advisory Board and FAU Foundation. He is also an FAU Football Founder and named by the Boca Raton Historical Society as a Legend of Boca Raton. Mr. Rollins was recognized by the University of Montavallo as the Distinguished Alumnus for 2015. He is currently serving on the Board of Directors of the Florida Association of Insurance Agents. He and his family have been residents of Boca Raton since 1977.

Mr. Thomas Workman, Jr. of Boca Raton, is currently President of Thomas Workman & Associates, Certified Public Accountants, Chartered in Boca Raton. Since 1973, Mr. Workman has been either the president or managing partner of his own accounting firms. He is actively involved with the American Institute of Certified Public Accountants (AICPA) and the Florida Institute of Certified Public Accountants (FICPA). Mr. Workman is also a personal financial specialist, AICPA accredited. Mr. Workman's leadership in public service organizations includes past president of the Greater Boca Raton Estate Planning Council, past president of the Rotary Club of Boca Raton, past chairman of the Greater Boca Raton Chamber of Commerce, past president of The American Heart Association of Boca Raton and formerly on the Board of Directors of the American Heart Association, Florida/Puerto Rico Affiliate, and past treasurer of the FAU Foundation. Mr. Workman is currently serving as treasury for the Boca Raton Historical Society. He received a Bachelor of Science degree from Florida Atlantic University and is a lifetime member of the FAU National Alumni Association.

Executive Director of the Issuer

Mr. Art Kite has served as Executive Director of the Issuer since 2017. He has more than 35 years of experience as a senior vice president with Bank of America, N.A. where he had leadership roles that included: CFO for Palm Beach County, Consumer Marketing Executive, Consumer Market Manager, Sales

and Service Manager, Consumer Credit Administration Manager, Financial Planning and Analysis and Regional Auditor. In his most recent position, Mr. Kite was Executive Director of Church Administration at Community of Hope Church in Loxahatchee. Mr. Kite is a Certified Public Accountant, holds the CGMA designation (Chartered Global Management Accountant), and is a member of The Florida Institute of Public Accountants (FICPA) and the American Institute of CPAs (AICPA). A Florida native, Mr. Kite grew up in Ft. Myers and Tampa. He received a B.S. in Accounting at Florida Southern College.

Key Personnel of the University

Mr. Jeff Atwater has been the Vice President for Strategic Initiatives and Chief Financial Officer at FAU since 2017. Prior to his position at FAU, Mr. Atwater was elected Florida's Chief Financial Officer on November 2, 2010 and sworn into office on January 4, 2011. His commitment to public service began in 1993, when his hometown of North Palm Beach, Florida elected him Vice Mayor. Mr. Atwater was subsequently elected to the Florida House of Representatives in 2000 and the Florida Senate in 2002 and was unanimously selected by his fellow senators to serve as Senate President in 2008. In addition to his service as an elected official, Mr. Atwater has twenty-five years of community banking experience and has served on a number of governing boards, including the United Way, Chamber of Commerce, Big Brothers and Big Sisters, and Take Stock in Children, among others. Mr. Atwater earned his Bachelor's degree in finance and an M.B.A. from the University of Florida.

Dr. Larry Faerman, Acting Vice President, Student Affairs and Enrollment Management joined the University in 1999 as Area Coordinator for Housing and Residential Life and has served the University in many roles over the years. In 2016, Dr. Faerman was named Dean of Students and Associate Vice President for Student Affairs. As Acting Vice President for Student Affairs & Enrollment Management, Dr. Faerman oversees all aspects of student life, promoting a campus culture that embraces student success through academic excellence, leadership development, and civic responsibility. Dr. Faerman oversees the Division of Student Affairs & Enrollment Management, which provides a wide array of programs and services to the University's student body. Dr. Faerman received a Bachelor of Science in Management Information Science and a Master of Science in Higher Education Administration from Florida State University and earned his Doctorate of Educational Administration and Leadership from the University.

AUTHORIZATION FOR BONDS

The Issuer is authorized under the Act to issue revenue bonds to finance and refinance capital projects to provide facilities necessary and desirable to serve the needs and purposes of the University. The Board of Trustees adopted a resolution on November 13, 2018, authorizing the Issuer to approve the issuance of the Series 2019B Bonds for the purposes set forth herein. The Board of Governors of the State University System of Florida (the "Board of Governors") approved the issuance of the Series 2019B Bonds for the 2019B Project on March 28, 2019.

THE 2019B PROJECT

The 2019B Project

Proceeds from the Series 2019B Bonds will be used to finance the 2019B Project which consists of construction of the 2019B Boca Raton Housing Facility and the 2019B Jupiter Housing Facility and to pay the cost of issuance of the Series 2019B Bonds. Construction of the 2019B Boca Raton Housing Facility is

expected to begin November, 2019 and is scheduled to be completed in July, 2021 and open for housing students for the Fall 2021 semester. The 2019B Boca Raton Housing Facility will be constructed on the former site of Algonquin Hall which contained 94 student housing beds and was demolished in 2019. Construction of the 2019B Jupiter Housing Facility is expected to begin in April, 2020, and is scheduled to be completed in July, 2021 and open for housing students for the Fall 2021 semester.

Development Agreement

The Issuer has entered into a Project Development Agreement relating to the 2019B Project (the “Development Agreement”) with Greystar Development Services, LLC (the “Developer”) for development and construction management of the 2019B Project. Below is a description of certain portions of the Development Agreement.

General. Pursuant to the Development Agreement, from the effective date of the Development Agreement until the earlier of twelve (12) months after final completion of the 2019B Project, or (ii) the abandonment of the 2019B Project by the Issuer, by written notice thereof to the Developer and the University, the Developer has agreed to (i) Substantially Complete (as defined in the Development Agreement) the development and construction of the 2019B Project by July __, 2021, as such date may be extended from time to time in accordance with the Development Agreement (the “Guarantee Date”), (ii) cause the General Contractor (defined below) to construct the 2019B Project in accordance with the Construction Agreement (defined below), (iii) provide or cause to be provided all design, development construction and installation services necessary to Finally Complete (as defined in the Development Agreement) the 2019B Project, and (iv) monitor, facilitate and provide oversight of the General Contractor to assure that the General Contractor performs its obligations under the Construction Agreement.

Delayed Delivery. In the event of any failure to achieve Substantial Completion by the Guarantee Date, the Issuer is required to provide, at the Developer’s expense, the actual and verifiable costs of (a) alternative housing for persons who executed student housing contracts or licenses and were to occupy bedrooms in the 2019B Project but were unable to do so because of the failure to achieve Substantial Completion by the Guaranteed Date, subject to certain exceptions, (b) transportation of such persons to and from the campus, as reasonably required by the Issuer and (c) any increased cost for security provided by the Issuer attributable to the alternative housing (collectively, “Delay Remedies”), the cost of which Delay Remedies are to be paid by the Developer at its sole cost and expense. In lieu of the Delay Remedies, the Developer may pay a per diem amount to affected residents of the 2019B Project until Substantial Completion.

Extensions of Time. The Guarantee Date will be extended to the extent of any delays to the development and construction of the 2019B Project beyond the reasonable control of the Developer caused by certain unforeseen circumstances for the minimum time necessary given the nature, extent and impact of the applicable unforeseen circumstances.

Insurance. The Developer is required to maintain, or cause to be required to be maintained, builder’s risk insurance, workers’ compensation insurance, employer’s liability insurance, professional errors and omissions insurance, commercial general liability insurance, commercial business automobile liability insurance and commercial umbrella excess liability insurance as provided in the Development Agreement.

Development Cost and Cost Overruns. The Developer’s obligations under the Development Agreement are undertaken as a cost and expense of the 2019B Project and are to be paid from the proceeds

of the 2019B Bonds made available by the Issuer. Duties and obligations of the Developer under the Development Agreement are subject to sufficient funds being made available to the 2019B Project in order for the Developer to perform such duties and obligations.

Any costs of the 2019B Project in excess of amounts budgeted may be incurred only with the prior written approval of the Issuer and the Developer, in which case the development budget will be amended and such overruns will be funded by the Issuer except if design, development and construction cost overruns exceeds the Total Development Cost (as defined below), in which case Developer shall be responsible to pay such cost overruns. "Total Development Cost" means \$_____ for the 2019B Project, which includes \$_____ with respect to the 2019B Boca Raton Facility and \$_____ with respect to the 2019B Jupiter Facility, as adjusted pursuant to the Development Agreement.

The Developer's obligations with respect to cost overruns and Delay Remedies are limited to the amount of the developer fee payable under the Development Agreement, however, with respect to cost overruns, nothing shall be interpreted to limit the General Contractor's guaranteed maximum price obligations under the Construction Agreement and the Developer has agreed to use commercially reasonable efforts to exhaust all available remedies against the General Contractor.

General Contractor and Construction Contract

The 2019B Project will be constructed by The Weitz Company, LLC (the "General Contractor") pursuant to the Agreement between the General Contractor and the Developer (the "Construction Contract"). The Construction Contract price is guaranteed by the General Contractor not to exceed \$_____, subject to certain adjustments.

Architect

The architect for the 2019B Project is KSQ Architects, PC, dba KSQ Design.

THE 2019C PLAN OF REFUNDING

Proceeds from the Series 2019C Bonds will be used (i) to advance refund the Refunded Bonds, and (ii) to pay all or a portion of the costs of issuance of the Series 2019C Bonds.

Upon delivery of the Series 2019C Bonds, U.S. Bank National Association, as escrow agent (the "Escrow Agent"), will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with the Issuer to provide for the refunding of the Refunded Bonds. The Escrow Deposit Agreement will create an irrevocable escrow deposit fund (the "Escrow Deposit Fund") which will be held by the Escrow Agent. The money and securities held in the Escrow Deposit Fund are to be applied to the payment of principal of and interest on the Refunded Bonds upon redemption prior to maturity on July 1, 2022 (the "Redemption Date") or upon maturity prior thereto. Immediately upon issuance of the Series 2019C Bonds, the Issuer will deposit a portion of the proceeds from the sale of the Series 2019C Bonds, together with other available funds of the Issuer, into the Escrow Deposit Fund. Such money is expected to be invested in certain noncallable direct obligations of the United States of America (the "Refunding Securities"). The maturing principal of and interest on the Refunding Securities and any cash held in the Escrow Deposit Fund (i) will be sufficient to pay the principal of and interest on the Refunded Bonds, (ii) will be pledged solely for the

benefit of the holders of the Refunded Bonds, and (iii) will not be available for payment of debt service on the Series 2019B and C Bonds.

The initial cash deposit, plus principal and interest on the Refunding Securities in the Escrow Deposit Fund, will be sufficient to pay the Refunded Bonds on July 1, 2022 and to pay debt service prior to the Redemption Date, according to the schedules prepared by the Underwriter and verified by Causey Demgen & Moore P.C. (the "Verification Agent"). See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein. In reliance on the above referenced schedules and verification, at the time of delivery of the Series 2019C Bonds, bond counsel will deliver to the Issuer an opinion to the effect that the lien of the holders of the Refunded Bonds on the Pledged Revenues has been defeased and discharged.

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ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the sources and uses of funds to be derived from the sale of the Series 2019B and C Bonds.

	SERIES 2019B <u>BONDS</u>	SERIES 2019C <u>BONDS</u>	<u>TOTAL</u>
SOURCES:			
Principal Amount of Series 2019B Bonds			
Plus/Less Net Premium/Discount Series			
2019B Bonds			
Principal Amount of 2019C Bonds	_____	_____	_____
Debt Service and Reserve Funds for			
Refunded Bonds	_____	_____	_____
TOTAL SOURCES			
USES:			
Deposit to Series 2019B Bond Account			
(Construction Fund)			
Capitalized Interest Account			
Debt Service Fund for Refunded Bonds			
Reserve Fund for Refunded Bonds			
Deposit to Refunded Bonds Escrow Deposit			
Fund			
Deposit to Costs of Issuance Fund ⁽¹⁾	_____	_____	_____
TOTAL USES	\$ _____	\$ _____	\$ _____

⁽¹⁾ Includes Underwriters' discount, legal fees, rating agency fees and miscellaneous costs of issuance.

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THE SERIES 2019B AND C BONDS

General

The Series 2019B and C Bonds will be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities of the Series 2019B and C 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, New York, New York ("DTC"). See "- Book-Entry Only System" below. The Series 2019B and C Bonds will be dated their date of delivery, and will bear interest at the rates and mature in the amounts and at the times set forth on the inside cover page of this Official Statement. The Series 2019B and C Bonds are to be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. Interest will be payable on July 1, 2020 and semiannually thereafter on January 1 and July 1 of each year. Principal of, and redemption premium, if any, on the Series 2019B and C Bonds are payable upon presentation and surrender at the designated corporate office of the Trustee, at 550 West Cypress Creek Road, Suite 380, Fort Lauderdale, Florida 33309, or at such other place as may be provided for by the appointment of any other Paying Agent appointed under the Indenture. The Trustee is also acting as Paying Agent and Registrar. Interest on the Series 2019B and C Bonds shall be made to the registered owner thereof by check or draft mailed to the Owner at his address as it appears on the registration books maintained by or on behalf of the Issuer as of the close of the applicable Record Date. Payment of interest on the Series 2019B and C Bonds may, at the option of any owner of Series 2019B and C Bonds in an aggregate principal amount of at least \$1,000,000 be transmitted by wire transfer to such owner to the bank account number on file with the Paying Agent as of the Record Date upon written request therefor by the holder thereof for the appropriate Interest Payment Date.

With respect to Series 2019B and C Bonds registered in the name of Cede & Co., as nominee of DTC, neither the Issuer nor the Trustee will have any responsibility or obligation to any DTC Participant or to any Indirect DTC Participant. See "- Book-Entry Only System" below for the definition of "DTC Participant." Except as otherwise specifically provided in the Indenture and the Series 2019B and C Bonds with respect to the rights of DTC Participants and Beneficial Owners, when a Book-Entry System is in effect, the Issuer and the Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2019B and C Bonds registered in its name for the purposes of (i) payment of the principal of, premium, if any, and interest on the Series 2019B and C Bonds or portion thereof to be redeemed or purchased, (ii) giving any notice permitted or required to be given to Owners under the Indenture, and (iii) the giving of any direction or consent or the making of any request by the Owners under the Indenture, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Neither the Issuer nor the Trustee will have any responsibility or obligations to DTC, any DTC Participant, any Beneficial Owner or any other person which is not shown on the Series 2019B and C Bond Register, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant; (ii) the payment by DTC or by any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption of, or interest on, any Series 2019B and C Bonds; (iii) the delivery of any notice by DTC or any DTC Participant; (iv) the selection of the DTC Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2019B Bonds; or (v) any consent given or any other action taken by DTC or any DTC Participant. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2019B and C Bonds registered in the name of a nominee of DTC only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in Florida), and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal of, premium, if any, and interest on such Series 2019B and C Bonds to the extent of the sum or sums so paid.

Book-Entry Only System

The Series 2019B and C Bonds will be available only in book-entry form in authorized denominations of \$5,000 and any integral multiple thereof. Purchasers of the Series 2019B and C Bonds will not receive certificates representing their interests in the Series 2019B and C Bonds purchased. The Issuer has entered into a letter of representations with DTC providing for such book-entry system.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2019B and C Bonds. The Series 2019B and C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019B and C Bond certificate will be issued for each maturity of the Series 2019B and C Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2019B and C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019B and C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019B and C Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019B and C Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019B and C Bonds, except in the event that use of the book-entry system for the Series 2019B and C Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2019B and C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2019B and C Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019B and C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2019B and C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2019B and C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019B and C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of the Series 2019B and C Bonds may wish to ascertain that the nominee holding the Series 2019B and C Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019B and C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019B and C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal, interest and redemption premiums, if any, on the Series 2019B and C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption premiums, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019B and C Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2019B and C Bond certificates are required to be printed and delivered to DTC.

The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2019B and C Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2019B AND C BONDS. THE ISSUER CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2019B AND C BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Optional Redemption

Series 2019B Bonds. The Series 2019B Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to maturity. The Series 2019B Bonds maturing on or after July 1, 20__ are subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any date on or after July 1, 20__, and if in part, in such manner as determined by the Issuer, at the redemption price of 100% of the principal amount of the Series 2019B Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.

Series 2019C Bonds. The Series 2019C Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to maturity. The Series 2019C Bonds maturing on or after July 1, 20__ are subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any date on or after July 1, 20__, and if in part, in such manner as determined by the Issuer, at the redemption price of 100% of the principal amount of the Series 2019C Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.

Mandatory Redemption

Series 2019B Bond.

The Term Series 2019B Bonds maturing on July 1, 20__ 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:

July 1 of the Year

Amortization Installments

* Final Maturity

The Term Series 2019B Bonds maturing on July 1, 20__ 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:

July 1 of the Year

Amortization Installments

* Final Maturity

Series 2019C Bond.

The Term Series 2019C Bonds maturing on July 1, 20__ 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:

July 1 of the Year

Amortization Installments

* Final Maturity

The Term Series 2019C Bonds maturing on July 1, 20__ 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:

July 1 of the Year

Amortization Installments

* Final Maturity

Notice of Redemption

Notice of the call for redemption, identifying the Series 2019B and C Bonds 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 20 days but not more than 60 days prior to the date fixed for redemption to the Owner of each Series 2019B and C Bond to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

Failure to mail any such notice, or the mailing of defective notice, to any Owner, shall not affect the proceeding for redemption as to any Owner to whom proper notice is mailed. Notwithstanding the provisions of the Indenture, delivery by the Trustee of a copy of a redemption notice to a transferee of a Series 2019B and C Bond which has been called for redemption, pursuant to the requirements of the Indenture, shall be deemed to satisfy the requirements of the Indenture with respect to any such transferee.

Notice of any redemption of Series 2019B and C Bonds shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Series 2019B and C Bonds to be redeemed and any other applicable conditions precedent to such redemption, or (ii) be sent only if sufficient money to pay the full redemption price of the Series 2019B and C Bonds to be redeemed is on deposit in the applicable fund or account.

Effect of Redemption

Not later than the Business Day prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is authorized and directed by the terms and provisions of the Indenture to apply such funds to the payment of the Series 2019B and C Bonds or portions thereof called, together with accrued interest thereon to the redemption date, and expenses in connection with such redemption. Upon the giving of notice and the deposit of funds for redemption, interest on the Series 2019B and C Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Trustee upon any Series 2019B and C Bond or portion thereof called for redemption until such Series 2019B and C Bond or portions thereof shall have been delivered for payment or cancellation or the Trustee shall have received the items required by the Indenture with respect to any mutilated, lost, stolen or destroyed Series 2019B and C Bond.

SECURITY FOR THE SERIES 2019B AND C BONDS

Limited Obligations

The Series 2019B and C Bonds are limited obligations of the Issuer that are payable solely from Pledged Revenues, on a parity with the Outstanding Parity Bonds and any Additional Senior Bonds hereafter issued. See "- Outstanding Parity Bonds" below. The Series 2019B and C Bonds and Outstanding Parity Bonds shall never be payable out of any other funds of the Issuer other than the Pledged Revenues.

THE SERIES 2019B AND C BONDS, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OR MORAL OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE, THE UNIVERSITY OR ANY POLITICAL SUBDIVISION THEREOF, BUT ARE LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM THE PLEDGED REVENUES. SUCH MONEYS ARE PLEDGED AND ASSIGNED AS SECURITY FOR THE EQUAL AND RATABLE PAYMENT OF THE SERIES 2019B AND C BONDS, AND SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2019B AND C BONDS. THE SERIES 2019B AND C BONDS SHALL IN NO EVENT BE PAYABLE FROM THE GENERAL REVENUES OF THE ISSUER OR THE UNIVERSITY AND SHALL NOT CONSTITUTE A DEBT, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FAITH OR LOAN OF CREDIT OF THE UNIVERSITY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS; NEITHER THE UNIVERSITY, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON; NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER, AND THEN ONLY TO THE EXTENT PROVIDED IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE REVENUES OF THE UNIVERSITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2019B AND C BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO. NEITHER THE UNIVERSITY NOR THE ISSUER HAS TAXING POWER.

Trust Estate

The obligations of the Issuer under the Indenture are secured by the "Trust Estate" pledged pursuant to the Indenture, which includes a security interest in all right, title and interest of the Issuer to the Pledged Revenues. The Pledged Revenues, including investments thereof and the proceeds of such investments, if any, but not including moneys on deposit in the accounts and subaccounts of the Rebate Fund and the Cost of Issuance Fund, are pledged pursuant to the Indenture and assigned as security for the payment of the Series 2019B and C Bonds, the Outstanding Parity Bonds and any Additional Senior Bonds hereafter issued and shall be used for no other purposes than to pay the principal of, redemption premium, if any, and interest on such Bonds, in the order and priority expressly authorized in the Indenture or to pay the Rebate Amount. Notwithstanding anything in the Indenture to the contrary, nothing provided in the Indenture 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. No Reserve Account has been created with respect to the Series 2019B Bonds or the Series 2019C Bonds. See "- No Reserve Fund for Series 2019B and C Bonds" herein.

The Pledged Revenues are comprised of (i) the System Revenues net of amounts needed to pay Operating Expenses, including Excess Housing Revenues, and (ii) moneys on deposit in the funds and accounts established under the Indenture and investment earnings thereon, but excluding moneys on deposit in the accounts and subaccounts established under the Rebate Fund and the Cost of Issuance Fund. See "- Pledged Revenues" below for definitions of System Revenues and Excess Housing Revenues and "THE INDENTURE - Creation of Funds and Accounts" herein for a description of the funds and accounts established under the Indenture.

Pledged Revenues

System Revenues. "System Revenues" means (i) all income and revenues including fees, rentals or other charges received by the Issuer or the University, on behalf of the Issuer, derived from the ownership and/or operation of the Housing System from students, faculty members, the Issuer and others using or being served by or having the right to use, or having the right to be served by, the Housing System, and all parts thereof including retail and commercial uses comprising a part of the Housing System, without any deductions whatsoever, and specifically including, without limiting the generality of the foregoing, room rental income, any special rental fees or charges for services or space provided, and any income paid to the Issuer related to use of the retail and commercial areas of the Housing System and (ii) Excess Housing Revenues. Notwithstanding the foregoing, "System Revenues" shall not include (i) Direct Pay Subsidies, or (ii) any other subsidy, incentives or rebate payments from the United States Treasury.

The "Housing System" includes the housing facilities financed with the proceeds of the Outstanding Parity Bonds consisting of a freshman student residence facility comprised of one building containing approximately 614 student beds, known as Parliament Hall (the "2012 Facilities") and any Project financed with proceeds from Additional Bonds issued under the Indenture, including the student resident facilities refinanced with proceeds of the Series 2019A Bonds, known as Innovation Village Apartments North & South (the "2010 Facilities"). The 2019B Boca Raton Housing Facility and the 2019B Jupiter Housing Facility will be part of the Housing System.

"Excess Housing Revenues" means all income and revenue including rates, fees and other charges, received by the University, on behalf of the Issuer related to the DBF Facilities remaining after application of such funds after satisfaction of all obligations required under Sections 4.02(A) through (C) of the DBF Bond Resolution (hereafter defined), which obligations include operating expenses of the DBF Facilities, administrative expenses payable to the State, as the issuer of the State DBF Facilities Bonds, deposits to the Building Maintenance and Equipment Reserve Fund under the DBF Bond Resolution and annual debt service requirements on the DBF Facilities Bonds.

The DBF Facilities were financed and refinanced with proceeds of the State of Florida Board of Governors Florida Atlantic University Dormitory Revenue Refunding Bonds, Series 2016A (the "State DBF Facilities Bonds"), currently outstanding in the principal amount of \$_____, issued by the State of Florida Division of Bond Finance pursuant to a resolution adopted on July 21, 1992, as amended and supplemented (the "DBF Bond Resolution"). The DBF Facilities are not part of the Housing System. However, after payment of the operating expenses for the DBF Facilities, the annual debt service requirements for the State DBF Facilities Bonds, administrative expenses of the issuer of the State DBF Facilities Bonds, and deposits to the Building Maintenance and Equipment Reserve Fund, all as required by the DBF Bond Resolution, all remaining DBF Facilities revenues will constitute Excess Housing Revenues under the Indenture, will be transferred to the Trustee for deposit into the Revenue Fund under the Indenture, and are Pledged Revenues under the Indenture free of the lien of the State DBF Bonds.

Outstanding Parity Bonds

General. The lien of the Series 2019B and C Bonds on the Pledged Revenues is on parity with the Outstanding Parity Bonds and any Additional Senior Bonds issued hereafter.

Tender of Series 2012B Bond. The Series 2012B Bond was issued pursuant to the Master Indenture, as particularly supplemented by the First Supplemental Trust Indenture dated as of July 1, 2012 (the "First Supplemental Indenture"). Pursuant to the First Supplemental Indenture, the Series 2012B Bond was subject to tender, at the option of the Owner of the Series 2012B Bond (the "2012B Bondholder"), on the Initial Tender Date of July 1, 2019. The holder of the Series 2012B Bond agreed to waive its tender right upon amendment of certain terms of the Series 2012B Bond. Pursuant to the First Amendment to First Supplemental Trust Indenture, dated as of May 1, 2019, the terms of the Series 2012B Bond were amended to provide that from May 1, 2019 until the maturity date of the 2012B Bond (July 1, 2025), the Series 2012B Bond will bear interest at a rate of 2.24% per annum, subject to adjustment as described under "Adjustment of Interest Rate on Series 2012B Bond" below.

Adjustment of Interest Rate on Series 2012B Bond. Pursuant to the First Supplemental Indenture, the interest rate on the Series 2012B Bond is subject to increase if certain events occur, including (i) tender of the Series 2012B Bond as described above, (ii) a Determination of Taxability (as therein defined), in which event the rate is increased to a Taxable Rate (as therein defined) or to an adjusted rate described therein in the event of a partial Determination of Taxability, (ii) the Maximum Corporate Tax Rate (as therein defined) changes during any period the Series 2012B Bond is outstanding on a tax-exempt basis, in which event the rate is adjusted based on the revised Maximum Corporate Tax Rate; (iii) any other changes affecting the after-tax yield to the Owner or any former Owners of the Series 2012B Bond, including the loss of status as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B), in which event the Issuer must reimburse the Owner for any payments arising from such changes; and (iv) if any payment required by the Series 2012B Bond or the First Supplemental Indenture is not made when due, then the Issuer is obligated to pay interest on such amounts at the Default Rate, defined as the higher of the JP Morgan Chase Banks Prime Rate and the Adjusted One-Month LIBOR Rate plus 4%, all as more fully described in the First Supplemental Indenture. In the event that the interest rate is adjusted, the amounts shown as debt service for the Series 2012B Bond under "BOND DEBT SERVICE REQUIREMENTS FOR SERIES 2019B BONDS AND OUTSTANDING PARITY BONDS" herein would be increased.

No Reserve Fund for Series 2019B and C Bonds

Neither the Series 2019B Bonds or the Series 2019C Bonds will be secured by the Reserve Fund or any Reserve Account therein.

Additional Bonds

The Issuer may issue Additional Senior Bonds if the Issuer complies with the conditions set forth below:

(a) The Authorized Officer of the Issuer shall certify that (i) the Issuer is not in Default in the performance of any of the covenants and obligations assumed by it under the Indenture, and (ii) all payments required by the Indenture to have been made into the funds and accounts provided by the Indenture shall have been made in full to the extent required.

(b) Legal counsel to the Issuer shall submit an opinion addressed to the Governing Body of the Issuer to the effect that the issuance of such Additional Senior Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Senior Bonds have been fulfilled.

(c) (i) Each supplemental indenture authorizing the issuance of Additional Senior Bonds issued pursuant to the Indenture and, unless all Bonds Outstanding shall be refunded, will contain a provision to the effect that all of the covenants contained in the Indenture (except as to details expressly applicable to the Outstanding Parity Bonds) will be fully applicable to such Additional Senior Bonds as if originally issued under the Indenture.

(ii) The Outstanding Parity Bonds and all Additional Senior Bonds issued pursuant to the Indenture, regardless of time or times of their issuance, shall rank equally without preference of any Senior or Additional Senior Bonds over any other; provided, however, that such Series of Bonds issued under the Indenture shall, with respect to the Reserve Fund, have rights only to moneys therein in the subaccount therein created with respect to such Series of Bonds. Such subaccounts, if any, in the Reserve Fund may be funded as determined by the Issuer. Provided, however, that any Series of Bonds issued as Direct Subsidy Bonds shall have the additional security of the Direct Pay Subsidies received by the Issuer with respect to that particular Series of Bonds.

(d) An opinion of Bond Counsel shall be delivered to the Governing Body of the Issuer to the effect that the issuance of Additional Senior Bonds will not impair the exclusion from gross income for federal income tax purposes of interest paid on any Bonds issued under the Indenture and then Outstanding that are not Taxable Bonds.

(e) Additional Senior Bonds payable from the Pledged Revenues on a parity with the Outstanding Parity Bonds, as provided in the Indenture, can be issued and delivered to finance Projects only if there shall have been obtained and filed with the Governing Body of the Issuer and the Trustee a certificate of the Authorized Officer of the Issuer:

(i) setting out the Maximum Bond Service Requirement with respect to the Senior Bonds proposed to be Outstanding under the Indenture following the issuance of the Additional Senior Bonds proposed to be issued for each Bond Year through the final maturity of such Bonds;

(ii) setting out the amount of Net Revenues Available for Debt Service of the Issuer from the immediately preceding Fiscal Year available for payment of the principal of, redemption premium, if any, and interest on Senior Bonds, in each such year;

(iii) certifying that (a) the Net Revenues Available for Debt Service collected by the Issuer during the Fiscal Year immediately preceding the date of issuance of such Additional Senior Bonds were not less than one hundred and twenty-five percent (125%) of the Maximum Bond Service Requirement with respect to the then outstanding Senior Bonds and (b) the projected Net Revenues Available for Debt Service for the two Fiscal Years following the Fiscal Year in which the Project financed with the proceeds of the Additional Senior Bonds is scheduled to be placed in service will not be less than one hundred and twenty-five percent (125%) of the Maximum Bond Service Requirement with respect to the then outstanding Senior Bonds and the Additional Senior Bonds proposed to be issued. In determining the Net Revenues Available for Debt Service for the purposes of this clause (iii), System Revenues may be adjusted as follows:

In the event the Issuer shall have made or put in effect any increase in the rates, fees or charges constituting System Revenues and such increase shall not have been in effect during all of the previous Fiscal Year immediately preceding the date of the delivery of the proposed Additional Senior Bonds, the System Revenues shall be adjusted by the estimated System Revenues that would have resulted from the increase in the rates, fees and charges constituting System Revenues during such prior Fiscal Year had such rate, fee or charge increase been in effect for the entire period; and

In the event the Issuer is constructing or acquiring additions, extensions or improvements to the Housing System from the proceeds of the Additional Senior Bonds; System Revenues each of the two Fiscal Years immediately following the Fiscal Year in which the Project financed with the proceeds of the Additional Senior Bonds is scheduled to be placed in service may be adjusted to include System Revenues estimated to be received from the users of the Project to be financed during the first twelve (12) months of operation after the Project's placed in service date.

(f) The proceeds of Additional Senior Bonds shall be used to finance the Projects and improvements thereto or expansion thereof or to refund Outstanding Bonds as described in the supplemental indenture authorizing such Additional Senior Bonds.

(g) Notwithstanding satisfaction of the other conditions to the issuance of Additional Senior Bonds set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the applicable account in the Reserve Fund is fully funded at the applicable Reserve Requirement upon the issuance of such Additional Senior Bonds, in either case unless otherwise permitted by the Bond Insurer, if any.

Refunding Outstanding Bonds

Notwithstanding the preceding subsection regarding the issuance of Additional Senior Bonds, the Issuer may issue, at any time, and from time to time, Additional Senior Bonds for the purpose of refunding Outstanding Senior Bonds, or any maturity or portion of a maturity of Outstanding Senior Bonds within a Series, without having to comply with the above requirements regarding the issuance of Additional Senior Bonds provided that prior to the issuance of such Additional Senior Bonds, there shall be filed with the Governing Body of the Issuer a certificate from a Qualified Independent Consultant to the effect that the net proceeds from such Additional Senior Bonds will be sufficient to (A) cause the lien created by the Indenture with respect to the Outstanding Senior Bonds to be refunded to be defeased pursuant to the Indenture and (B) the Bond Service Requirement, with respect to such Additional Senior Bonds, in each Bond Year following the issuance thereof through the Bond Year in which the latest maturing Senior Bond matures, shall be equal to or less than the Bond Service Requirement for such Bond Year with respect to the Senior Bonds which would have been Outstanding in that Bond Year had the same not been refunded pursuant to this paragraph.

Prior to or concurrently with the issuance of such Senior Bonds, there shall be filed with a representative of the Issuer, an opinion of Bond Counsel to the effect that (i) the net proceeds from the sale of such Additional Senior Bonds have been set aside in irrevocable escrow for the payment of the Outstanding Senior Bonds in the manner described in the Indenture, respectively, and (ii) the issuance of such Additional Senior Bonds and the use of the proceeds thereof as described above will not have the

effect of causing the interest on any Outstanding Senior Bond under the Indenture (other than any Taxable Bond) including the Outstanding Senior Bonds, as the case may be, to be refunded, to become includable in gross income for federal income tax purposes.

Rate Covenant

The Issuer has covenanted that it will fix, establish and collect such fees, rentals and other charges from students, faculty members and others using or being served by the Housing System, and revise them from time to time whenever necessary, so that the Net Revenues Available for Debt Service shall be sufficient in each Fiscal Year to pay at least one hundred twenty five percent (125%) of an amount equal to the Bond Service Requirement for all Senior Bonds coming due in such Fiscal Year. For purposes of calculating compliance with such rate covenant, System Revenues may be adjusted by including (i) investment earnings on the amounts on deposit in the Series 2012 Account of the Reserve Fund and (ii) proceeds received by the Trustee from any business interruption policy.

If in any Fiscal Year the Issuer fails to comply with the requirement described in the immediately preceding paragraph, it will be required to immediately cause the Housing Consultant to review its rates, fees and charges, System Revenues, Operating Expenses and methods of operation and to, within 60 days of such request by the Issuer, make written recommendations to the Issuer and the Managers as to the methods by which the Issuer and the Managers may promptly seek to comply with such provisions set forth in the immediately preceding paragraph. The Issuer shall or shall cause the Managers within 30 days of receipt of the recommendations commence to implement such recommendations to the extent required so as to cause it to thereafter comply with such requirements. Failure to comply with the requirements described in the immediately preceding paragraph shall not be considered an Event of Default under the Indenture so long as the Issuer is implementing the recommendations of the Housing Consultant; provided Net Revenues Available for Debt Service in each Fiscal Year shall equal at least one hundred percent (100%) of an amount equal to the Bond Service Requirement for all Senior Bonds coming due in such Fiscal Year.

In 2018, an amendment to The Florida Constitution was approved by the voters of the State that amended Article IX, Section 7 of The Florida Constitution (the "Education Amendment") that added a requirement to Article IX, Section 7 that requires that any proposal or action of a State university to raise, impose or authorize any fee, as authorized by law, be approved by an affirmative vote of at least nine members of the board of trustees of such university, if approval by such board is required by general law, and an affirmative vote of at least twelve members of the Board of Governors, if approval by the Board of Governors is required by general law. See "BONDHOLDERS' RISKS - Recent Constitutional Amendment" herein.

Satisfaction and Discharge

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the owners of the Series 2019B and C Bonds the principal of, redemption premium, if any, and interest due or to become due thereon at the times and in the manner stipulated in the Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions of the Indenture (including any fees of the Trustee and expenses in connection therewith), then the Indenture and all rights granted therein shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Issuer such instruments in writing provided by the Issuer as determined by the Issuer to be requisite to cancel and discharge the lien, and release, assign and deliver to the Issuer any and all the estate, right, title and interest therein, or

otherwise subject to the lien of the Indenture, except money or securities held by the Trustee for the payment of the principal of redemption premium, if any, and interest on the Series 2019B and C Bonds and shall notify the Rating Agencies and the Bond Insurer (if any) of such cancellation and discharge.

Any Series 2019B and C Bond shall be deemed to be paid within the meaning of the Indenture when payment of the principal of such Series 2019B and C Bond, redemption premium, if any, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment (a) moneys in an amount sufficient (as determined by an independent certified public accounting firm) to make such payment; or (b) Governmental Obligations maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys (as determined by an independent certified public accounting firm) to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and the Issuer pertaining to the Series 2019B and C Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Series 2019B and C Bond shall be deemed to be paid under the Indenture, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Governmental Obligations.

Enforceability of Remedies

The realization of value from the security for the Series 2019B and C Bonds upon any default will depend upon the exercise of various remedies specified by the Indenture. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. See "BONDHOLDERS' RISKS" herein.

THE STATE UNIVERSITY SYSTEM

The Constitution of the State provides that adequate provision shall be made by law for, among other things, the operation and maintenance of institutions of higher learning within the State. Under this authority, the State has formulated a State University System that is governed by the State of Florida Board of Governors (the "Board of Governors").

The Board of Governors was established by Article IX, Section 7 of the Florida Constitution, effective January 7, 2003. The Board of Governors is authorized to operate, regulate, control and manage the State University System. The responsibilities of the Board of Governors include defining the mission of each university, ensuring the coordination and operation of the university system and avoiding wasteful duplication of facilities or programs. The Board of Governors' management of the State University System is subject to the power of the legislature to appropriate funds. The Board of Governors consists of seventeen members, fourteen of whom are appointed by the Governor to staggered seven year terms as provided by law, subject to confirmation by the Florida Senate. The Commissioner of Education, the Chair of the Advisory Council of Faculty Senates, and the President of the Florida Student Association are *ex officio* members of the Board of Governors.

Pursuant to Chapter 1001, Part IV, Florida Statutes, each college or university in the State University System has a thirteen (13) member Board of Trustees. Each Board of Trustees is a public body

corporate with all the powers of a body corporate, including a corporate seal, the power to contract and be contracted with, to sue and be sued, to plead and be impleaded in all counts of law or equity and to give and receive donations. Pursuant to Board of Governors Regulation 1.001, each Board of Trustees is also vested with the powers and duties necessary and appropriate for the direction, operation, management, and accountability of its respective university. The Board of Trustees at the University is known as the "The Florida Atlantic University Board of Trustees."

The State University System is comprised of the Board of Governors, the Board of Trustees at each college or university and in addition to the University, each of the following entities: the Florida State University, the University of North Florida, the University of Florida, the Florida Agricultural and Mechanical University, the University of South Florida, the University of West Florida, the University of Central Florida, the Florida International University, Florida Gulf Coast University, Florida Polytechnic and New College of Florida.

FLORIDA ATLANTIC UNIVERSITY

General

The University was established by the State Legislature in 1961 as the fifth university in the State University System. When it opened in 1964, the University was the first university in the country to offer only upper-division and graduate-level work, on the theory that freshmen and sophomores could be served by the community college system. Located on 780 acres in Boca Raton in rapidly growing Southeast Florida, the University responded to the need to provide increased access to educational opportunities by opening its doors to freshmen in 1984. Today, its developed system of distributed campuses, which offers students the same high-quality degree programs at seven different locations, allows the University to offer an array of undergraduate and graduate programs, enrolling nearly 30,000 students. The University received more than 16,263 applications for the Fall 2019 freshman class. As part of the strategic planning initiative, an emphasis of creating a traditional campus life experience for students led to the construction and opening of a new 30,000 seat stadium in the Fall 2011.

The University offers a wide range of degrees through ten different colleges including the Dorothy F. Schmidt College of Arts & Letters, the College of Business, the College of Education, the College of Engineering & Computer Science, the Graduate College, the Christine E. Lynn College of Nursing, the Charles E. Schmidt College of Science, the College of Design and Social Inquiry, the Charles E. Schmidt College of Medicine and the Harriet L. Wilkes Honors College. Together, these colleges offer 180 degree programs.

As part of its commitment to providing access to educational opportunities, the University offers an expanding collection of online and video-conference graduate and undergraduate courses. The University also participates in the Southern Regional Board's Electronic Campus which lists college programs and courses from across the Southern region of the U.S. Online courses are available to students as "anywhere, anytime" courses which may be completed within the confines of the University semesters but do not require traditional classroom attendance.

The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges every 10 years to award degrees at the baccalaureate, master's, etc. level. In December 2013, the Commission on Colleges of the Southern Association of Colleges and Schools (SACS) reaffirmed the

University's accreditation for a period of 10 years. In 2015, the University's Charles E. Schmidt College of Medicine received full accreditation from the Liaison Committee on Medical Education (LCME). The LCME is the nationally recognized accrediting authority for medical education programs leading to a medical degree in the United States and Canadian medical schools, and is a joint committee of the Association of American Medical Colleges and the American Medical Association. In addition to regional accreditation by SACS, many of the University's colleges, and distinct programs within the colleges, are also accredited by discipline specific organizations. Currently, twenty different outside accrediting organizations review and accredit the University's programs. In August of each year, a report on the status of each of the University's accredited programs is submitted to the Florida Board of Governors.

Enrollment

Fall 2019 enrollment totaled 30,347 students, of which approximately 62% were full-time students and approximately 86.1% of the University's students were from Florida. Following is enrollment information for all enrollments for Fall 2015 through and including Fall 2019.

Enrollment by Student Type

Student Type	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019*
Undergraduate	24,233	24,216	23,737	23,264	23,640
Full Time	15,672	15,717	15,910	16,000	16,221
Part Time	8,561	8,499	7,827	7,264	7,419
Graduate	4,649	4,853	4,901	4,875	4,944
Full Time	1,997	2,115	2,174	2,080	2,153
Part Time	2,652	2,738	2,727	2,795	2,791
Non-Degree-Seeking	1,565	1,532	1,643	1,700	1,763
Full Time	417	381	427	447	456
Part Time	1,148	1,151	1,216	1,253	1,307
Total	30,447	30,601	30,281	29,839	30,347

* Fall 2019 Data is as of August 22, 2019.

Source: University Department of Institutional Effectiveness and Assessments.

Admissions

The following table provides undergraduate admissions, matriculation and average GPA and SAT score information for Fiscal Years 2015 through 2019. Data pertaining to 2015-2019 are annual counts. Average GPA uses Summer/Fall FTIC Recalculated Admit GPA. Average SAT was calculated using new SAT scores on a 1600 point scale.

Admissions

Student Status	FY2015	FY2016	FY2017	FY2018	FY2019
Applied	34,057	38,169	40,328	38,762	34,079*
Admitted	17,430	19,470	18,636	18,065	19,705
Selectivity	51%	51%	46%	47%	58%
Registered	7,751	8,641	8,222	7,875	8,433
Matriculation	44%	44%	44%	44%	43%
Average GPA	3.44	3.47	3.64	3.66	3.67
Average SAT	1,146	1,133	1,141	1,151	1,162

* Beginning Fall 2018, applications reported include only completed applications per Board of Governors requirements.

Source: University Department of Institutional Effectiveness and Assessments.

Limited Role of Board of Trustees in Connection with the Bonds

No obligation or agreement of the Issuer under the Indenture shall be construed to constitute a debt, liability, general or moral obligation or a pledge of the faith or loan of credit of the University, the State or any political subdivision of the State within the meaning of any constitutional or statutory provisions; the University, the State nor any political subdivision thereof shall be liable thereon; nor in any event shall the Series 2019B Bonds or obligations be payable out of any funds or properties other than those of the Issuer, and then only to the extent provided in the Indenture. Neither the faith and credit nor the revenues or taxing power of the University, the State or any political subdivision thereof, is pledged to the payment of the principal of the Series 2019B Bonds or the interest thereon or other costs incident thereto.

UNIVERSITY HOUSING FACILITIES

General

On-campus housing has been an integral part of the University since its inception in 1964. The Department of Housing and Residential Life (the "Department") complements and supports the academic mission of the University by managing the residence hall program which serves as a living-learning environment, enhancing the University's educational purpose, mission and goals.

Housing Facilities

The University's housing system includes the existing DBF Facilities, the 2010 Facilities and the 2012 Facilities and will include the 2019B Boca Raton Housing Facility, all located on the Boca Raton Campus. The University's housing system also includes Residence Hall 1 and Residence Hall 2 on the JDM Jupiter Campus ("Jupiter Residence Hall 1" and "Jupiter Residence Hall 2") and will include the 2019B Jupiter Housing Facility, all located on the JDM Jupiter Campus. As used under this caption "FLORIDA ATLANTIC UNIVERSITY" only, the DBF Facilities, the 2010 Facilities, the 2012 Facilities, Jupiter Residence Hall 1, Jupiter Residence Hall 2, the 2019B Boca Raton Housing Facility and the 2019B Jupiter Housing Facility are collectively referred to as the "University Housing Facilities." The DBF Facilities, the Jupiter Residence Hall 1 and Jupiter Residence Hall 2 are not part of the Housing System as defined under the Indenture.

Lease and Ground Sublease of Housing Facilities

The Boca Raton Campus and the JDM Jupiter Campus of the University are located on land held by the State of Florida Board of Trustees of the Internal Improvement Trust Fund and leased to the University, under a 99 year ground lease that expires in 2073 with respect to the Boca Raton Campus and under a ground lease that expires in 2105 with respect to the JDM Jupiter Campus, unless extended (each the respective "Lease Term"). The University subleased such land and the DBF Facilities to the Issuer pursuant to a Ground Sublease dated March 24, 2010 between the University and the Issuer, as amended by the First Amendment to Ground Sublease Agreement dated July 1, 2012 and as further amended pursuant to the Second Amendment to Ground Sublease Agreement dated _____ 1, 2019 (collectively, the "Ground Sublease"). The University has subleased to the Issuer the land upon which the 2010 Facilities and the 2012 Facilities were built, and the land upon which the 2019B Boca Raton Housing Facility and the 2019B Jupiter Housing Facility are to be built, pursuant to the Ground Sublease. The Ground Sublease will remain in effect until the earlier of (i) the Lease Term or (ii) the date on which all obligations of the Issuer related to Outstanding Bonds under the Indenture are satisfied. The DBF Facilities, the 2010 Facilities and the 2012 Facilities are managed pursuant to the Amended and Restated Management Agreement dated as of July 1, 2012, as amended and supplemented (the "Management Agreement"), entered into among the Issuer, the University and C-BB Management, LLC ("C-BB" and, together with the University, the "Managers"). See "THE MANAGEMENT AGREEMENT AND THE MANAGER" herein.

Director of University Housing

Catherine Kellman is Interim Director Residence Life and Education as of fall 2019. She was appointed the Director for the Center of Inclusion, Diversity Education, and Advocacy (IDEAs) in spring 2019. Ms. Kellman joined Florida Atlantic University in July 2017. During her tenure, she worked in the Department of Housing and Residential Education as the Associate Director for Residential Education 2017-2019. As Associate Director, she provided leadership in developing the department's residential education curriculum. Ms. Kellman was a member of the Divisional Committee for Diversity and Inclusion. In addition, she was the Equity, Diversity and Inclusion Chair for Northeast Association of College and University Housing Officers (NEACUHO) 2015-2017, a member of the Standing Committee for Multicultural Affairs- Pan African Network, and Commission for Social Justice Educators for College Student Educators International (ACPA) since 2007, ACPA's Commission Housing and Residence Life Directorate Member from 2007 to 2017 which develops best practices for the field of housing and residential education/life at a national level. Previously, Ms. Kellman worked at Syracuse University as the Assistant Director in the Office of Residence Life. Within her role, she managed the operations of 2,500 resident students within apartments, and three residential halls with one learning community, performed on-call duty responsibilities and crisis response, on a rotating basis, as the administrator on-call for university 8,000 residential students. She earned a Masters of Business Administration from Syracuse University, a Masters in Educational Leadership Studies and Higher Education Administration from West Virginia University and Bachelors in Secondary Education and History from Bloomfield College. Ms. Kellman has over 10 years of experience in campus housing, encompassing areas of responsibility related to the overall management of the housing operation, assignments, billings, collections, student life and student development of residential education, policy, and budget formation and overview.

Staffing

The University Housing Facilities are currently jointly managed by the Managers. The Department collectively employs [69] full-time and [293] part-time employees consisting of administrative, professional,

clerical, and student personnel. There are seven (7) residential facilities/areas that serve on-campus residents on the Boca Raton Campus and make up the University Housing Facilities, not including the 2019B Boca Raton Housing Facility and the 2019B Jupiter Housing Facility: Glades Park Towers, Heritage Park Towers, Indian River Towers, and University Village Apartments (collectively, the DBF Facilities), Parliament Hall (the 2012 Facilities), and Innovation Village Apartments North & South (the 2010 Facilities). In addition there are two (2) residential facilities that serve on-campus residents on the JDM Jupiter Campus: Jupiter Residence Hall 1 and Jupiter Residence Hall 2. Each facility has one full-time residence education coordinator, a building operations manager, graduate residential education graduate assistants, resident assistants, career coaches, community service officers (on Boca Raton Campus only), and desk assistants (student staff members). Each of the 2019B Boca Raton Housing Facility and the 2019B Jupiter Housing Facility will also have one full-time residence education coordinator, a building operations manager, graduate residential education graduate assistants, resident assistants, residential student scholars, career coaches, community service officers (2019B Boca Raton Housing Facility only), and desk assistants (student staff members).

Housing Facilities

The University has provided housing for its students since its inception. The first generation of University student housing included ten residence halls and apartments. Over the years, these original halls have all been replaced or demolished. In total, housing capacity stayed relatively unchanged throughout the first 35 years of the University's history.

Boca Raton Campus Housing Facilities.

Currently, the University Housing Facilities on the Boca Raton Campus consist of four residence halls and three apartment complexes on the Boca Raton Campus, with a total capacity of 4,172 beds, 7 of which are not available for student occupancy. Heritage Park Towers (HPT), built in 2004, houses freshman students for a total of 602 beds. Glades Park Towers (GPT), built in 2007, is identical to HPT, housing 602 first-year students in 4-person suites. Indian River Towers (IRT), built in 2001, accommodates 607 predominantly freshman students in 4-person suites. HPT, GPT and IRT all house living learning communities. University Village Apartments (UVA), built in 1995, houses 434 upper-class students in two styles of apartments: a two-person efficiency and a four bedroom/one bath apartment for four students. Innovation Village Apartment North (IVAN) houses 605 upper division and graduate students in four single bedroom/two bath apartments and two single bedroom/two bathroom apartments. Innovation Village Apartment South (IVAS) houses 599 upper division and graduate students in four single bedroom/two bathroom apartments. Parliament Hall houses 612 first-year students in a majority of single suites. Parliament Hall is home to both faculty in residence and living learning communities programs. The Business Women's Professional residential facility, a gift to the University, houses 17 women in professional fields per donor stipulations (this facility is adjacent to the University Village Apartments).

The 2019B Boca Raton Housing Facility will be an additional 615 bed facility on the Boca Raton Campus built on the former site of the 94 bed Algonquin Hall demolished in 2019. These additional beds from the 2019B Boca Raton Housing Facility will increase the freshman student capacity on the Boca Raton Campus by 34% and increase total capacity of the University Housing Facilities on the Boca Raton Campus by 14.8%. For Fall 2019 overflow housing was handled through arrangements between the University and a local hotel.

Jupiter Housing Facilities.

Currently, the University Housing Facilities on the JDM Jupiter Campus consist of two residence halls with a capacity of 287 beds (270 of which are available for students). Jupiter Residence Hall 1, built in 1999, has 141 beds (124 are available for students) and Jupiter Residence Hall 2, built in 2001, has 146 beds. These facilities are identically designed buildings with the exception of a staff apartment located on the first floor of Jupiter Residence Hall 2 and a residence hall office is located in Jupiter Residence Hall 1. The facilities are comprised of four person suites and Resident Assistant singles with bathroom. In 2014, four of the Jupiter Residence Hall 1 residential suites and one double suite were converted into faculty/researcher apartments including private bathrooms and kitchen facilities. Jupiter Residence Hall 1 and Jupiter Residence Hall 2 are not part of the Housing System and revenues generated from such facilities are not included in Gross Revenues or pledged under the Indenture as Net Revenues or Excess Housing Revenues.

The 2019B Jupiter Housing Facility will be an additional 165 bed facility on the JDM Jupiter Campus. These additional beds from the 2019B Jupiter Housing Facility will increase the freshman student capacity on the JDM Jupiter Campus by 98.2% and increase total capacity of the University Housing Facilities on the JDM Jupiter Campus by 61.1%.

Over the years, the University has built residence halls to meet the changing demographics and needs of its students. Different styles of suites, increased number of single bedrooms and changing amenities and programs (Living Learning Communities, First-Year/Second-Year Experience, Academic Advising/Tutoring Center, Faculty in Residence, and Career Coaches) are several changes made in the last six years.

Outlined below are the facilities that comprise the University Housing Facilities, with corresponding construction dates, square footage, design capacity and number of rooms in each facility. Existing facilities that comprise the Housing System, the DBF Facilities and the 2019B Boca Raton Housing Facility to be constructed are located on the Boca Raton Campus of the University. Jupiter Residence Hall 1 and Jupiter Residence Hall 2 and the 2019B Jupiter Housing Facility to be constructed are located on the JDM Jupiter Campus of the University. The 2019B Jupiter Housing Facility and the 2019B Boca Raton Housing Facility to be constructed with proceeds of the Series 2019B Bonds are included in the chart but are not yet constructed or placed in service. See "THE 2019B PROJECT" herein.

University Housing Facilities

Residence Halls	Year Built	Square Footage	Current Capacity	Number of Rooms
<u>DBF Facilities⁽¹⁾</u>				
University Village Apartments	1995	151,833	434	434
Business and Professional Woman				
Scholarship House	1996	4,000	17	9
Indian River Towers	2001	203,481	607	471
Heritage Park Towers	2004	151,727	602	361
Glades Park Towers	2007	151,727	602	360
<u>Housing System</u>				
Innovation Village North	2011	233,074	605	611
Innovation Village South	2011	259,200	599	605
Parliament Hall	2012	189,796	612	524
2019B Boca Raton Housing Facility ⁽²⁾	2021	185,920	N/A	615
2019B Jupiter Housing Facility ⁽²⁾	2021	58,060	N/A	165
<u>Jupiter Residence Halls⁽¹⁾</u>				
Jupiter Residence Hall 1	1999	45,682	124	34
Jupiter Residence Hall 2	2001	45,535	146	41
Total				

(1) Not part of the Housing System.

(2) To be constructed with proceeds of the Series 2019B Bonds. Data is estimated.

Source: University Department of Housing and Residential Life.

Capital Improvement Plan and Repair and Replacement Funds

The Department, in conjunction with the University Facilities Management Department, develops and implements new housing facilities which are then financed through the Issuer. These additional beds will increase the freshman student capacity by 0% and increase total capacity of the University Housing Facilities by 13%. The Managers have developed and implemented a capital improvement plan on a five-year cycle for existing facilities. For the DBF Facilities, the University has instituted a regular program of repair and maintenance for the facilities financed with reserve funds. The University has maintained a Building Maintenance and Equipment Reserve Fund for the DBF Facilities for use by the Board or the University to pay the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary and normal expense of the operation and maintenance of the DBF Facilities. Currently, the University has \$3,040,428 in reserve funds. With respect to the facilities in the Housing System, the Indenture requires the Issuer to establish a repair and replacement fund and make an annual deposit to the fund in the amount equal to \$200 per bed per year, increased each year by 3% and further adjusted, as necessary. The amounts on deposit as of the end of Fiscal Year 2019 in the respective Renewal and Replacement Funds held for the DBF Facilities and the Housing System Facilities were \$195,180 and \$2,845,248, respectively.

The Indenture requires that every fifth year, beginning July 1, 2019, the Issuer provide to the Trustee a report of a Housing Consultant describing the appropriate amount that should be on deposit in

the Repair and Replacement Fund. The Issuer engaged the Housing Consultant for the report due in 2019 and the Housing Consultant report was issued in March 2019.

Insurance on Facilities

All the University Housing Facilities, and the contents thereof, are insured under the Florida Fire Insurance Trust Fund as required by Chapter 284, Florida Statutes. The 2019B Project will also be insured in this manner. Prior to acceptance by the University, and throughout the construction period, the General Contractor shall insure the 2019B Project, including materials, equipment, vehicles and personnel, or, the University shall maintain such coverage through an owner controlled insurance program.

Housing Needs Assessment

Boca Raton Campus. For the past five academic years, the University Housing Facilities on the Boca Raton Campus have experienced a Fall Semester occupancy rate of 96% to 105%. Current capacity of the University Housing Facilities is 4,078 beds (4,171 of which are available for students). On-campus housing is first offered to students who already live on campus through a room selection process typically held each November. From 2014 to 2019, 39% to 52% of current residents signed housing contracts for the next academic year. University housing has developed into housing for specific target markets. Five of the current residence halls are designed physically and programmatically for incoming first time in-college students, or freshmen, and have been designated freshmen-only halls. Hence, current residents can only sign up for a room in Innovation Village Apartments North or South and University Village Apartments. In addition, the University has historically held 50% of the beds in Indian River Towers for returning students, which reservation is expected to shift to the 2019B Boca Raton Housing Facility after it is open. After returning residents have selected their specific room through the room selection process, the remainder of the available on-campus housing is then reserved for new students. Freshmen are required to live on campus unless they can document that they are over 21 years of age, living with their parents within a 30-mile radius of campus or married. This residency requirement is strictly enforced by the University. Because of the success the University has experienced in filling the newer Parliament Hall and Innovation Village Apartments, the University believes many of these students will choose to live on campus once they are provided with a wider range of acceptable housing options. It is also believed that increased capacity will provide greater opportunities for transfer students to reside on campus.

Although freshmen are required to live on campus, with the above exceptions, not all freshmen are guaranteed a room. Over the last several years, there has been a steady increase in the number of returning students living in housing for their sophomore, junior, and senior years. In Fall 2019, the University's freshmen class increased beyond the capacity of the number of freshmen student housing spaces available on campus and in addition, returning students who did not contract in November were also not able to be accommodated.

The University houses a large population of local residents, nearly 30% of whom live in Palm Beach and Broward County according to their permanent address. Some of these students qualify to live at home yet choose to experience the full traditional collegiate experience. As the University has expanded its recruiting area, the number of out-of-state and out-of-country students living on campus has also increased. In Fall 2019, of the students living on campus, 18% were out-of-state students and 5% were international students.

The University believes demand for construction of the 2019B Boca Raton Project is sufficient based on current enrollment without relying on enrollment growth at Boca Raton.

JDM Jupiter Campus. For the past five academic years, Residence Hall 1 and Residence Hall 2 on the JDM Jupiter Campus have experienced a Fall semester occupancy rate of 96% to 108%. Current capacity of the University Housing Facilities at Jupiter is 293 beds (292 of which are available for students). On-campus housing is first offered to students who already live on campus through a room selection process typically held each February. From 2014 to 2019, 77% to 64% of current residents signed housing contracts for the next academic year.

The University believes that demand for construction of the 2019B Jupiter Project is sufficient based on current estimated enrollment growth at Jupiter.

Residency Requirement. All freshmen and sophomores, including undergraduate transfers, are required to live on campus in the University Housing System unless they can document that they are over 24 years of age or married. This residency requirement is strictly enforced by the University.

Given the expectations of continued increase in the freshman class, the increase in out-of-state and international students, and continued increase in students living on campus beyond their freshman year, the University believes there is current unmet housing need especially for incoming freshman students.

Occupancy Statistics

The chart below indicates the occupancy rate as compared to the capacity of current University Housing Facilities for the most recent five fall semesters.

Fall Semester Occupancy (Boca Raton Campus)				Boca Raton Campus Full- time Enrollment ⁽²⁾	Percent of Boca Raton Full-time Students Residing on Campus
Fall	Capacity	Occupancy ⁽¹⁾	% of Capacity		
2015	4,165 ⁽³⁾	3,988	96%	15,951	25%
2016	4,165 ⁽³⁾	4,117	99%	15,901	26%
2017	4,165 ⁽³⁾	4,182	100%	15,957	26%
2018	4,165 ⁽³⁾	4,361	105%	16,994	26%
2019	4,078 ⁽⁴⁾	4,187	103%	16,027	26%

⁽¹⁾ http://www.fau.edu/bot/archive_as.php

⁽²⁾ IEA SAS VA Enrollment Dashboard (Primary Campus). Fall 2019 is preliminary data.

⁽³⁾ Does not include 7 units not available for student occupancy.

⁽⁴⁾ Decrease in capacity is due to demolition of Algonquin Hall.

Source: University Department of Institutional Effectiveness and Assessments.

**Fall Semester Occupancy
(JDM Jupiter Campus – Residence Hall 1 and Residence Hall 2)***

Fall	Capacity	Occupancy⁽¹⁾	% of Capacity	JDM Jupiter Campus Full- time Enrollment⁽²⁾	Percent of Jupiter Full-time Students Residing on Campus
2015	270	275	101.85%	695	39.57%
2016	270	273	101.11%	664	41.11%
2017	270	259	95.93%	651	39.78%
2018	270	258	95.56%	678	38.05%
2019	270	316	107.85%	670	47.16%

⁽¹⁾ http://www.fau.edu/bot/archive_as.php

⁽²⁾ IEA SAS VA Enrollment Dashboard (Primary Campus). Fall 2019 is preliminary data.

* Assumes all on-campus residents are full time; 270 bed count capacity excludes guest housing spaces, GA apartment, FIR apartment and extra 4 bedroom apartment. Residence Hall 1 and Residence Hall 2 are not part of the Housing System and revenues from such residence halls are not pledged under the Indenture.

Source: University Department of Institutional Effectiveness and Assessments.

Payment and Collection Information

As a student applies for housing, they submit a \$100 non-refundable application fee with their signed housing contract. Room rent is charged to a student's account in late July for the fall semester, in late November for the spring semester and May for summer semesters. Payment for all fees and tuition is typically due two weeks into the semester.

The Department works to assist students on financial aid or scholarships, and students having financial difficulty. Students on financial aid and scholarships may defer their housing payment until receiving their financial aid award. The Department automatically receives payment after tuition is paid from the financial aid disbursement. For those students with a Florida Pre-Paid Dormitory Plan, the Department bills Florida Pre-paid Plan in July for fall semester and December for spring semester.

Unpaid housing rent is placed on the University's student account receivables and after a reasonable period of time, the debt is referred to a collection agency. Students are precluded from registering for a subsequent term and from receiving grades until housing charges are paid. The University's historical collection rate of rentals and housing fees is 98%.

On-Campus Rental Rates

Rental rates are reviewed during the Spring semester of each year to determine if they will generate sufficient revenue to provide for the operation of the University Housing Facilities. The proposed rental rates are submitted to the Issuer for review, to the University President for review and to the University Board of Trustees for final approval.

The following table shows historical rental rates for the University Housing Facilities. Rental rate increases are based on annual market surveys and needs analyses. Rental rates include utilities, cable television, high speed internet and supervisory staff.

Fall/Spring On-Campus Rental Rates – Per Semester⁽¹⁾

	2015-16	2016-17	2017-18	2018-19	2019-20
Indian River Towers					
Double	3,365	3,365	3,365	3,365	3,365
Single	4,600	4,600	4,600	4,600	4,600
University Village Apartments					
4-Bedroom (Single)	4,200	4,200	4,200	4,200	4,200
4-Bedroom (Single, 12 months)	4,330	4,330	4,330	4,330	4,330
Double (Studio)	3,100	3,100	3,100	3,100	3,100
1-Bedroom (Single, Efficiency)	4,600	4,600	4,600	4,600	4,600
1 Bedroom (Single, Efficiency, 12 months)	5,100	5,100	5,100	5,100	5,100
Heritage Park Towers					
Double	3,050	3,050	3,050	3,050	3,050
Super Double	3,650	3,650	3,650	3,650	3,650
Single	4,160	4,160	4,160	4,160	4,160
Glades Park Towers					
Double	3,050	3,050	3,050	3,050	3,050
Super Double	3,650	3,650	3,650	3,650	3,650
Single	4,160	4,160	4,160	4,160	4,160
Average Rate (Tier 1)	3,940	3,940	3,940	3,940	3,940
Innovation Village Apartments North					
4-Bedroom (Single)	5,180	5,180	5,180	5,180	5,180
2-Bedroom (Single)	5,480	5,480	5,480	5,480	5,480
1-Bedroom (Single)	5,680	5,680	5,680	5,680	5,680
Innovation Village Apartments South					
4-Bedroom (Single)	5,180	5,180	5,180	5,180	5,180
1- Bedroom (Single)	5,680	5,680	5,680	5,680	5,680
Average Rate (Tier II)	5,430	5,430	5,430	5,430	5,430
Parliament Hall					
Double	3,365	3,365	3,365	3,365	3,365
Single	4,600	4,600	4,600	4,600	4,600
Average Rate (Tier III)	3,983	3,983	3,983	3,983	3,983
Jupiter Residence Hall 1 and Residence Hall 2					
Double	3,650	3,650	3,650	3,650	3,650
Single	4,370	4,370	4,370	4,370	4,370

⁽¹⁾ Figures include utilities, water and garbage pick-up.

Source: University Department of Institutional Effectiveness and Assessments. Rates are rounded to the nearest whole dollar.

Comparison of Off-Campus Rental Rates

The Department continues to pursue its occupancy management strategies for the 2019-2020 year. The rapid growth of local student housing alternatives in the market has seen a significant increase in new facilities and competition for University residents is strong. Marketing and communication initiatives have been developed and implemented to increase awareness of existing on-campus residential facilities and create a demand for on-campus housing. The major target groups remain at (1) first time in college (FTIC) students, (2) out of state students, (3) transfer students, (4) returning residents and (5) current students of the University who reside off-campus.

The University partners with a corporate entity to manage FAUOffCampus.com, a website that property managers as well as the public can list rental spaces available for college students. This website also allows those students looking for roommates to advertise as well. For the last four years, the Department and the Student Union have hosted an off-campus housing fair. The fair has attracted nearly two dozen off-campus properties to advertise to the student population. This fair has been very popular with both students and our community partners.

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A survey of comparable off-campus facilities for the Boca Raton Campus was conducted by the Department in 2018 (the "2018 Boca Raton Housing Survey"). The off-campus facilities selected for the 2018 Boca Raton Housing Survey were located within five miles of the Boca Raton Campus and are primarily all student apartment facilities. The off-campus rental rates do not include any auxiliary services other than water and sewage nor do they include deposits for utilities or telephone. Rental rates for University housing include all utilities, cable television, high speed internet connections, and supervisory staff.

Comparison of Boca Raton Off-Campus Rental Rates (as of Fall 2019) – Per Semester⁽¹⁾

Complex Name	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Arbor Oaks	\$6,296	\$6,436/\$7236	\$9,076	N/A
Archstone Boca Town Center*	\$5,620	\$7,220	\$10,180	N/A
Bicycle Club	\$4,200	\$5,800	\$7,800	N/A
Boca Colony	\$5,616	\$6,480	\$8,292	N/A
Boca Hacienda	\$7,436	\$9,596	\$12,372	\$20,832
Cynthia Gardens	\$5,160/\$5,880	N/A	N/A	N/A
Gable Town Colony	\$5,620	\$7,400	N/A	N/A
Mizner Court @ Broken Sound	\$6,772	\$6,800	N/A	N/A
Palms of Boca Del Mar	\$5,540	\$6,880	N/A	N/A
Reflections of Boca Del Mar	\$5,140	\$6,560	N/A	N/A
San Marco @ Broken Sound	N/A	\$8,400	\$9,380	N/A
University Park	N/A	\$5,320	N/A	N/A
University View (3/3.5 Town Home)	N/A	\$5,160	\$4,620	\$3,920
University View (3/3.5 Town Home)	N/A	\$5,360	\$5,040	\$4,620
Gabels Town Place	\$5,160	\$6,900	\$8,400	N/A
Gabels Boca Place	\$5,580	\$7,500	\$8,180	N/A

⁽¹⁾ Figures do not include utilities, water and garbage pick-up.

Note: N/A depicted above indicates the apartment complex does not offer these room types

Source: University Department of Housing and Residential Life.

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A survey of comparable off-campus facilities for the JDM Jupiter Campus was conducted by the Department in 2019 (the "2019 Jupiter Housing Survey"). The off-campus facilities selected for the 2019 Jupiter Housing Survey were located within five miles of the Boca Raton Campus and are primarily all student apartment facilities. The off-campus rental rates do not include any auxiliary services other than water and sewage nor do they include deposits for utilities or telephone. Rental rates for University housing include all utilities, cable television, high speed internet connections, and supervisory staff.

Comparison of Jupiter Off Campus Rental Rates (as of Fall 2019) – Per Semester

Complex Name	One BDRM	2 BDRM/1 Bath & 2 BDRM/2 Bath	3 BDRM	4 BDRM
Jupiter Isle Apartments	\$4,980	\$6,080/\$6,200	N/A	N/A
Jupiter Cove Apartments	\$4,560	\$4,720/\$5,000	\$5,120	N/A
Barcelona Apartments	\$6,500	\$7,580	\$10,440	N/A
Floresta Apartments	\$5,620	\$7,100	\$7,240	\$10,400
Dokota at Aboca	\$6,040	\$6,840	\$8,020	N/A
The Sophia at Aboca	\$7,080	\$7,892	\$8,800	N/A
The Quaye at Palm Beach Gardens	\$6,884	\$9,100	\$8,800	\$12,364
Allure @ Abocoa	\$6,412	\$8,392	\$8,892	N/A
Atlantico at Alton	\$6,380	\$8,100	\$12,200	N/A

Source: University Department of Housing and Residential Life.

N/A as depicted within the chart is an indication that the complex does not offer rentals with this bedroom count.

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SELECTED FINANCIAL INFORMATION

Budgetary Information

Each spring, the proposed housing system budget for the ensuing fiscal year is finalized and submitted to the Board of Trustees for approval. The budget figures are based upon actual numbers from the prior year, current fiscal activity, and projected changes in cost structures anticipated for future fiscal years. The budget for the University Housing Facilities is prepared by the Managers. The proposed budget is reviewed and approved by the Vice President for Student Affairs. Any changes to the budget are submitted to the Vice President for Financial Affairs and Chief Financial Officer with a financial plan indicating the purpose of the proposed expenditure, the effect on revenues, and/or whether available cash balances will be used.

Housing rental rate increases may be implemented on a yearly basis. In the event of an increase, both the Vice President for Student Affairs and the President of the University review and approve the budgets prior to forwarding to the Board of Trustees and the Issuer's Board of Directors for approval.

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Historical Operating Results and Pro Forma Debt Service Coverage

The following table sets forth historical operating results for the DBF Facilities, the 2010 Facilities and the 2012 Facilities for the Fiscal Years ended June 30, 2014 through and including 2018 (audited) and for the Fiscal Year ended June 30, 2019 (unaudited). The revenues from the 2010 Facilities and 2012 Facilities are recognized as income of the Issuer and audited as part of the Issuer's financial statements. See "APPENDIX A – AUDITED FINANCIAL REPORT OF THE FAU FINANCE CORPORATION FOR THE YEAR ENDED JUNE 30, 2019" hereto. That portion of the revenues from the DBF Facilities equal to the Debt Service Requirements on the State DBF Facilities Bonds is recognized as income of the University and is audited as part of the financial statements of the University. The remainder of the revenues from the DBF Facilities is recognized as income of the Issuer and is audited as part of the Issuer's financial statements.

Historical Operating Results

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 (Unaudited)
DBF FACILITIES						
DBF Facilities System Revenues ⁽¹⁾	\$15,821,327	\$14,775,315	\$16,605,924	\$17,794,922	\$18,017,461	\$19,648,124
Less: Operating Expenses and Administrative Expenses for DBF Facilities ⁽²⁾	(7,195,131)	(7,915,153)	(9,048,242)	(9,741,928)	(10,127,365)	(10,682,966)
Less: Debt Service Requirements on State DBF Facilities Bonds ⁽²⁾	<u>(5,772,340)</u>	<u>(5,768,239)</u>	<u>(5,765,904)</u>	<u>(5,563,596)</u>	<u>(5,386,950)</u>	<u>(5,379,550)</u>
DBF Facilities Net System Revenues⁽³⁾	\$2,853,856	\$1,091,923	\$1,791,778	\$2,489,398	\$2,503,146	\$3,585,608
2010 FACILITIES (Innovation Village)						
2010 Facilities System Revenues	\$9,851,948	\$10,886,262	\$13,402,208	\$14,043,521	\$14,305,669	\$13,227,140
<u>Less: Operating Expenses for 2010 Facilities</u>	<u>(2,287,528)</u>	<u>(1,795,185)</u>	<u>(2,165,622)</u>	<u>(2,324,073)</u>	<u>(3,928,717)</u>	<u>(3,530,030)</u>
2010 Facilities Net System Revenues	\$7,564,420	\$9,091,077	\$11,236,586	\$11,719,448	\$10,376,952	\$9,697,110
2012 FACILITIES (Parliament)						
2012 Facilities System Revenues	\$5,104,670	\$5,223,611	\$5,599,083	\$5,148,793	\$5,308,639	\$5,177,175
<u>Less: Operating Expenses for 2012 Facilities</u>	<u>(785,837)</u>	<u>(1,036,224)</u>	<u>(1,051,429)</u>	<u>(1,285,353)</u>	<u>(2,009,419)</u>	<u>(1,526,033)</u>
2012 Facilities Net System Revenues	\$4,318,833	\$4,187,387	\$4,547,654	\$3,863,440	\$3,299,220	\$3,651,142

⁽¹⁾ Includes in each Fiscal Year shown revenues from the 94 bed Algonquin Hall which was demolished in 2019 and is being replaced with the 2019B Boca Raton Housing Facility.

⁽²⁾ These amounts include the operating expenses with respect to the DBF Facilities, administrative expenses payable to the issuer of the State DBF Facilities Bonds and deposits to the Building Maintenance and Equipment Reserve Fund required pursuant to the DBF Bond Resolution pursuant to which the State DBF Facilities Bonds were issued. Fiscal Years 2014 through 2016 show debt service on the bonds refunded by the State DBF Facilities Bonds. Debt service decreased in 2017 due to such refunding for debt service savings. The DBF Facilities Bonds are currently outstanding in the principal amount of \$_____.

⁽³⁾ Under the current Indenture these amounts would constitute "Excess Housing Revenues" and would be transferred by the Issuer to the Revenue Fund under the Indenture for the benefit of the Bonds.

Source: University Office of Vice President of Financial Affairs and Budget Director.

The following table sets forth projected debt service coverage for the Series 2019B and C Bonds and the Outstanding Parity Bonds based on (i) the Maximum Bond Service Requirement on the Series 2019B and C Bonds and the Outstanding Parity Bonds and (ii) projected Net Revenues Available for Debt Service for the first two Fiscal Years after the 2019B Boca Raton Housing Facility and 2019B Jupiter Housing Facility are placed in service.

Projected Debt Service Coverage

Housing Facility	Net Revenues 1 st FY After Placed in Service (Estimated to be 2022)	Net Revenues 2 nd FY After Placed in Service (Estimated to be 2023)
2019B Boca Raton Net System Revenues	\$5,177,758	\$5,319,684
2019B Jupiter Net System Revenues	684,364	712,680
2012 Facilities Net System Revenues	3,610,416	3,674,711
2010 Facilities Net System Revenues	10,667,731	10,863,532
Excess Housing Revenues ⁽¹⁾	<u>2,486,987</u>	<u>2,571,355</u>
Total Net Revenues Available for Debt Service	\$22,627,257	\$23,141,962
Maximum Bond Service Requirement ⁽²⁾	\$ _____	\$ _____
Projected Coverage (1.25x required) ⁽³⁾	____x	____x

- ⁽¹⁾ These amounts are DBF Facilities revenues less operating expenses of the DBF Facilities, administrative expenses payable to the State, as the issuer of the State DBF Facilities Bonds, deposits to the Building Maintenance and Equipment Reserve Fund and annual debt service requirements required pursuant to the DBF Bond Resolution.
- ⁽²⁾ Includes the Maximum Bond Service Requirement on the Outstanding Parity Bonds and the Series 2019B and C Bonds assuming (i) the Series 2019B Bonds are issued in the aggregate principal amount of \$ _____ at a true interest cost rate of ____%, (ii) the Series 2019C Bonds are issued in the aggregate principal amount of \$ _____ at a true interest cost rate of ____% and (iii) the Refunded Bonds are no longer outstanding.
- ⁽³⁾ For purposes of the Rate Covenant, the Indenture requires 125% coverage of the Bond Service Requirement in each Fiscal Year. See "- Additional Bonds" and "- Rate Covenant" below.

Source: University Office of Vice President of Financial Affairs and Budget Director.

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**BOND DEBT SERVICE REQUIREMENT FOR
SERIES 2019B AND C BONDS AND OUTSTANDING PARITY BONDS**

<u>Year Ended July 1</u>	<u>Outstanding Parity Bonds⁽¹⁾</u>	<u>Series 2019B Bond Principal</u>	<u>Series 2019B Bond Interest</u>	<u>Total Series 2019B Bonds</u>	<u>Series 2019C Bond Principal</u>	<u>Series 2019C Bond Interest</u>	<u>Total Series 2019C Bonds</u>	<u>Total Bond Debt Service⁽²⁾</u>
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TOTAL

- ⁽¹⁾ Includes the Refunded Bonds. Under certain circumstances the interest rate on the Series 2012B Bond is subject to increase. See "SECURITY FOR THE SERIES 2019B AND C BONDS - Outstanding Parity Bonds" herein.
- ⁽²⁾ Numbers may not add due to rounding.

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BONDHOLDERS' RISKS

Introduction

An investment in the Series 2019B and C Bonds involves various risks INCLUDING CERTAIN RISKS, AMONG OTHERS, described in this OFFICIAL STATEMENT. No person should purchase any of the Series 2019B and C Bonds without carefully reviewing the following information, which summarizes some, but not all, of the factors that should be carefully considered prior to such a purchase. Each prospective investor should also carefully examine this Official Statement and his or her own financial condition (including the diversification of his or her investment portfolio) in order to make a judgment as to whether the Series 2019B and C Bonds are an appropriate investment.

Identified and summarized below are a number of "Bondholders' Risks" that could adversely affect the operation of the Housing System and DBF Facilities and/or the Series 2019B and C Bonds and that should be considered by prospective investors. The following discussion is not intended to be exhaustive, but includes certain major factors that should be considered along with other factors set forth elsewhere in this Official Statement, including the Appendices hereto.

Revenues from Operation of the Housing System and DBF Facilities

If the Issuer is unable to generate sufficient Pledged Revenues to pay principal of and interest on the Bonds for any reason, including because of a failure to generate sufficient revenues from the operation of the Housing System and DBF Facilities, an Event of Default will occur under the Indenture. Upon an Event of Default, the Series 2019B and C Bonds may not be paid or may be paid before maturity or applicable redemption dates and a forfeiture of redemption premiums, if any, may result. The Housing System's and DBF Facilities' ability to generate revenues and the overall financial condition of the Housing System and DBF Facilities may be adversely affected by a wide variety of future events and conditions, including but not limited to, (i) a decline in the enrollment of the University, (ii) increased competition from other schools, or off-campus housing options, (iii) loss of accreditation, (iv) failure to meet applicable federal guidelines or some other event that results in students being ineligible for federal financial aid, and (v) cost overruns in connection with the Housing System and DBF Facilities or other capital improvements.

Limited Obligations of the Issuer

The Series 2019B and C Bonds constitute limited obligations of the Issuer. The sources of payment are only from the Pledged Revenues, which are comprised of: (i) System Revenues net of amounts needed to pay Operating Expenses, including Excess Housing Revenues, and (ii) moneys on deposit in the funds and accounts established under the Indenture and investment earnings thereon, but excluding moneys on deposit in the accounts and subaccounts of the Rebate Fund and Cost of Issuance Fund.

The Issuer is obligated to make payments on the Series 2019B and C Bonds only from the Pledged Revenues, which includes primarily System Revenues, net of amounts needed to pay Operating Expenses. System Revenues are derived from the ownership and operation of the Housing System and the DBF Facilities. Furthermore, the Issuer's ability to meet its obligations under the Indenture will depend upon achieving and maintaining certain occupancy levels at the Housing System and the DBF Facilities throughout the term of the Series 2019B and C Bonds. Even if the Housing System and the DBF Facilities are operating in an efficient manner, other factors could affect the Issuer's ability to make payments under the Indenture and the Series 2019B and C Bonds. No assurance can be made that the Housing System and

DBF Facilities will generate sufficient revenues to pay maturing principal of, premium, if any, and interest on the Series 2019B and C Bonds and the payment of operating expenses of the Housing System and DBF Facilities.

The Issuer has no obligation to pay the Series 2019B and C Bonds except from the Pledged Revenues on a parity with the Outstanding Parity Bonds and any Additional Senior Bonds hereafter issued. The Series 2019B and C Bonds and the interest thereon constitute limited obligations of the Issuer and are payable solely from the Pledged Revenues.

THE SERIES 2019B AND C BONDS, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OR MORAL OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE, THE UNIVERSITY OR ANY POLITICAL SUBDIVISION THEREOF, BUT ARE LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM THE PLEDGED REVENUES. SUCH MONEYS ARE PLEDGED AND ASSIGNED AS SECURITY FOR THE EQUAL AND RATABLE PAYMENT OF THE SERIES 2019B AND C BONDS AND SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2019B AND C BONDS. THE SERIES 2019B AND C BONDS SHALL IN NO EVENT BE PAYABLE FROM THE GENERAL REVENUES OF THE ISSUER OR THE UNIVERSITY AND SHALL NOT CONSTITUTE A DEBT, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FAITH OR LOAN OF CREDIT OF THE UNIVERSITY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS; THE UNIVERSITY, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON; NOR IN ANY EVENT SHALL SUCH SERIES 2019B AND C BONDS OR OBLIGATIONS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER, AND THEN ONLY TO THE EXTENT PROVIDED IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE REVENUES OR TAXING POWER OF THE UNIVERSITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER.

Required Occupancy Levels and Rents

In order for the Issuer to generate sufficient revenues to enable it to make the required payments on the Series 2019B and C Bonds, the Housing System and the DBF Facilities must meet certain occupancy levels and achieve certain rents. There can be no assurance, however, that the Housing System and the DBF Facilities will be able to meet and maintain such required occupancy and rent levels.

Factors that may affect such levels and the ability to generate sufficient revenues include (1) the ability of the Issuer to market the Housing System and the DBF Facilities, (2) the ability of the Housing System and the DBF Facilities to maintain substantial occupancy at projected increased rent levels, (3) the ability of the residents of the Housing System and the DBF Facilities to meet their financial obligations, (4) lower than anticipated revenues, (5) higher than anticipated operating expenses, (6) litigation, (7) changes in governmental regulation, (8) loss of federal tax exempt status, (9) loss of state property tax exemption, (10) changes in demographic trends, (11) competition from other residential rental and student housing facilities, (12) changes in the student housing industry and (13) general economic conditions.

Insurance and Legal Proceedings

The Issuer will carry property and general liability insurance in amounts deemed adequate and consistent with industry practices, either through commercial carriers or the State Risk Management Pool. However, there can be no assurance that any current or future claims will be covered by or will not exceed applicable insurance coverage. A claim against the Issuer not covered by, or in excess of, the Issuer's insurance could have a material adverse effect upon the Housing System and the DBF Facilities.

Governmental Regulation

The housing industry is significantly regulated by the federal and local government. Regulations and conditions affecting the acquisition, development and ownership of residential real estate, including environmental regulations, the Americans with Disabilities Act, the Fair Housing Amendments Act of 1988 and general conditions in the multi-family residential real estate market, could reduce the revenues or increase the operating and other expenses of the Housing System and the DBF Facilities, require significant capital investment and expenditures, or otherwise could have a material adverse effect on the financial condition of the Housing System and the DBF Facilities or the results of the operations thereof.

Risks of Construction; Delay

The Issuer believes that the proceeds of the Series 2019B Bonds will be sufficient to complete the Series 2019B Project; however, the cost of construction of the Series 2019B Project may be affected by factors beyond the control of the Issuer, including strikes, material shortages, adverse weather conditions, subcontractor defaults, delays, and unknown contingencies.

The Construction Agreement (as hereinafter defined) between the General Contractor (as hereinafter defined) and the University will obligate the General Contractor to complete the Series 2019B Project within a specified time where the basis for payment is the cost of the work plus a fee with a guaranteed maximum price. The cost of the Series 2019B Project may be increased, however, if there are change orders. The Construction Agreements require the General Contractor to furnish performance and payment bonds; however, there can be no assurance that the obligations of the surety under such bonds can be enforced without costly and time-consuming litigation.

Certain Interests and Claims of Others

Certain interests and claims of others are and may be on a parity with or prior to the pledge made in the Indenture and certain statutes and other provisions may limit the Issuer's rights to make such pledges and/or grants of security interests. Examples of such claims, interests, and provisions include, but are not limited to:

- (i) statutory liens;
- (ii) constructive trusts, equitable liens, or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction;
- (iii) federal bankruptcy laws as they affect amounts earned with respect to the Housing System and the DBF Facilities after any effectual institution of bankruptcy proceedings by or against the Issuer;

(iv) as to those items in which a security interest can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Trustee; and

(v) items not in possession of the Trustee, the records to which are located or moved outside the State of Florida, which are thereby not subject to or are removed from the operation of Florida law.

Enforceability of Remedies

The practical realization of value upon any default will depend upon the exercise of various remedies specified by the Indenture. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including, particularly, federal bankruptcy law), the remedies specified by the Indenture may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Indenture. The various legal opinions to be delivered concurrently with the delivery of the Series 2019B and C Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Market for the Series 2019B and C Bonds

There can be no assurance that a secondary market exists, or that the Series 2019B and C Bonds can be sold for any particular price. Accordingly, a purchaser of the Series 2019B and C Bonds should recognize that an investment in the Series 2019B and C Bonds will in all likelihood be illiquid and be prepared to have his or her funds committed until the Series 2019B and C Bonds mature or are redeemed.

Additional Bonds

The Issuer has the right to issue Additional Senior Bonds under the Indenture that will be equally and ratably secured on a parity basis with the Series 2019B and C Bonds and the Outstanding Parity Bonds. See "SECURITY FOR THE SERIES 2019B AND C BONDS – Additional Bonds" herein. **THE ISSUANCE OF SUCH ADDITIONAL SENIOR BONDS MAY DILUTE THE SECURITY FOR THE SERIES 2019B AND C BONDS.**

Risk of Audit by Internal Revenue Service

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes.

No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Series 2019B Bonds. No ruling with respect to the tax-exempt status of the Series 2019B Bonds has been or will be sought from the Internal Revenue Service, and the opinion of Bond Counsel as to the excludability from gross income of the interest on the Series 2019B Bonds for federal income tax purposes is not binding on the Internal Revenue Service or the courts. See "TAX MATTERS" herein. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Issuer as the taxpayer and the Bondholders may have no right to participate in such procedure. Neither the Underwriters nor Bond Counsel is obligated to defend the tax-exempt status of the Series 2019B Bonds. Neither the Issuer nor Bond Counsel is responsible to pay or reimburse the cost of any Bondholders with respect to any audit or

litigation relating to the Series 2019B Bonds. In addition, if the Series 2019B Bonds were to be audited, the market for and the market value of the Series 2019B Bonds could be adversely affected during the pendency of the examination and thereafter, even if the outcome of the audit were to be favorable.

Taxation of Series 2019B Bonds

The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading "TAX MATTERS." Failure by the Issuer to comply with certain provisions of the Internal Revenue Code of 1986, as amended (the "Code") and covenants contained in the Indenture could result in interest on the Series 2019B Bonds becoming includable in gross income for federal tax purposes.

Climate Change and Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on the Issuer. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage facilities that provide essential services to the Issuer, including housing facilities. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

Cybersecurity

The Issuer relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant.

Recent Constitutional Amendment

In 2018, the Education Amendment was approved by the voters of the State that amended Article IX, Section 7 of The Florida Constitution. The Education Amendment adds a requirement to Article IX, Section 7 that requires that any proposal or action of a State university to raise, impose or authorize any fee, as authorized by law, be approved by an affirmative vote of at least nine members of the board of trustees of such university, if approval by such board is required by general law, and an affirmative vote of at least twelve members of the Board of Governors, if approval by the Board of Governors is required by general law. Chapter 1009, Florida Statutes, authorizes State universities, including the University, to impose certain fees on students, which fees may be subject to the Education Amendment. It is not clear whether housing fees included in Pledged Revenues are included in fees subject to the Education Amendment. However, in the event such fees are subject to the Education Amendment, the Issuer does not anticipate that the applicability of the Education Amendment would adversely affect the ability of the Board of Trustees to raise rates in order to comply with the Rate Covenant set forth in the Indenture.

THE INDENTURE

Creation of Funds and Accounts

The Indenture creates and establishes the Revenue Fund, a Construction Fund, within which there is created a Series 2019B Bond Account, the Series 2019B Cost of Issuance Account and the Series 2019C Cost of Issuance Account in the Costs of Issuance Fund, the Debt Service Fund, within which there is created and established a Senior Bonds Principal Account and a Senior Bonds Interest Account, the Reserve Fund and the Capitalized Interest Account, the Subordinate Debt Service Fund, within which there are created and established a Subordinate Bonds Principal Account and a Subordinate Bonds Interest Account, the Repair and Replacement Fund, the Rebate Fund, within which there is created and established the 2019B Rebate Account and the Surplus Fund and the accounts therein authorized by the Indenture.

The Debt Service Fund, the Costs of Issuance Fund, the Construction Fund, the Reserve Fund, the Subordinate Debt Service Fund and the Repair and Replacement Fund created under the Indenture, and all accounts therein hereafter created shall constitute trust funds for the purposes provided in the Indenture, shall be held by the Trustee and shall at all times be kept separate and distinct from all other funds of the Issuer and used only as provided in the Indenture. Moneys held in the Construction Fund, the Debt Service Fund, the Reserve Fund, the Subordinate Debt Service Fund and the Repair and Replacement Fund and the accounts therein shall be subject to a lien and charge in favor of the Bondholders in the manner and to the extent provided in the Indenture; provided, however, that the Bondholders shall have no lien on or right to payment from amounts on deposit in the Rebate Fund or the 2019B Rebate Account and the Costs of Issuance Fund.

Flow of Funds

The Issuer shall or cause the University, in its capacity as a Manager under the Management Agreement to transfer to the Trustee no later than the 20th day of each month for deposit into the Revenue Fund all System Revenues. The Trustee shall promptly upon the receipt of System Revenues and Direct Pay Subsidies, if any, deposit such money in the Revenue Fund. The Trustee shall disburse the amounts deposited in the Revenue Fund at the times and in the order of priority as follows:

On the date specified by the Rebate Analyst, an amount or amounts shall be transferred to the Rebate Fund in order to timely pay the rebate installment (if any) coming due;

On the 25th day of each month, an amount equal to the Operating Expenses related to the 2012 Facilities for the next ensuing month as set forth in the Operating Budget shall be paid to the operating account established by the Managers pursuant to the Management Agreement;

On the 25th day of each month, an amount equal to one-sixth (1/6) of the interest payable on the Senior Bonds on the next succeeding Interest Payment Date (or in the case of the first Interest Payment Date, equal accruals of such interest payable and less accrued interest on deposit) shall be transferred to the Senior Bonds Interest Account of the Debt Service Fund;

On the 25th day of each month, a transfer shall be made into the Senior Bonds Principal Account of the Bond Fund in an amount equal to one-twelfth (1/12) of the principal amount payable on the Senior Bonds on the next ensuing July 1, whether by maturity or mandatory sinking fund redemption;

On July 25th of each year, the Trustee shall withdraw from the Revenue Fund an amount sufficient to pay the Trustees annual fees and expenses;

On the 25th day of each month, following any draw that has been made on a subaccount in the Reserve Fund to pay debt service on the applicable series of the Senior Bonds, a transfer shall be made into such subaccount in the Reserve Fund in an amount necessary in order to maintain on deposit therein the Reserve Requirement for the applicable series of Senior Bonds;

On the 25th day of each month, a transfer shall be made to the Repair and Replacement Fund equal to one-twelfth (1/12th) of the Repair and Replacement Fund Deposit Requirement for such Fiscal Year, plus an amount equal to any prior withdrawals from such fund which were applied to cure shortfalls and which have not been previously replenished;

On the 25th day of each month, an amount equal to one-sixth (1/6) of the interest payable on the Subordinate Bonds on the next succeeding Interest Payment Date (or in the case of the first Interest Payment Date, equal accruals of such interest payable and less accrued interest on deposit) shall be transferred to the Subordinate Bonds Interest Account of the Subordinate Debt Service Fund, plus an amount equal to any prior withdrawals from such fund which were applied to cure shortfalls and which have not been previously replenished;

On the 25th day of each month, a transfer shall be made into the Subordinate Bonds Principal Account of the Subordinate Debt Service Fund in an amount equal to one-twelfth (1/12) of the principal amount payable on Subordinate Bonds on the next ensuing July 1, whether by maturity or mandatory sinking fund redemption, plus an amount equal to any prior withdrawals from such fund which were applied to cure shortfalls and which have not been previously replenished; and

On the 25th day of each month, all remaining System Revenues shall be deposited into the Surplus Fund to be applied in accordance with the Indenture.

Deficiencies in the Revenue Fund on any date specified for application of Pledged Revenues shall be satisfied in the reverse order of priority described above, such that, such deficiencies shall be cured from the following sources and in the following order: (1) from deposits in the Surplus Fund, (2) from deposits in the Subordinate Bonds Principal Account of the Subordinate Debt Service Fund, (3) from deposits in the Subordinate Bonds Interest Account of the Subordinate Debt Service Fund, and (4) from deposits in the Repair and Replacement Fund (except that the Repair and Replacement Fund shall not be applied to funds and accounts securing the Subordinate Bonds). The Trustee is authorized and directed to withdraw funds from the Revenue Fund as described in the Indenture automatically without any requisition from the Issuer.

The Issuer shall not be required to make any further payments into the Debt Service Fund, including the accounts therein, and the Reserve Fund when the aggregate amount of funds in the Debt Service Fund, including the accounts therein, are at least equal to the aggregate principal amount of Bonds issued pursuant to the Indenture and then Outstanding, plus the amount of interest then due or thereafter to become due on said Series 2019B Bonds (calculated at the maximum rate provided for in the supplemental indenture authorizing variable rate Bonds) then Outstanding, or if all Series 2019B Bonds then Outstanding have otherwise been defeased pursuant to the Indenture.

For purposes of the above paragraph, in determining that moneys held in the Debt Service Fund and Reserve Fund are at least equal to the principal of and interest on a particular Series of Bonds, the Issuer shall take into account moneys in the Reserve Fund only to the extent that such moneys are held in an account therein related to such Series of Bonds.

Debt Service Fund

Moneys on deposit in the respective accounts of Debt Service Fund shall be used solely for the payment of the principal of, redemption premium, if any, and interest with respect to the respective Series of Bonds; provided, however, that if such principal and interest payments, or a portion thereof, have been made on behalf of the Issuer by a Bond Insurer, Reserve Product Provider or other entity insuring or guaranteeing or providing a Reserve Product for the payment of the Bonds, or any Series or maturity thereof, moneys on deposit in the respective subaccount of the Debt Service Fund and allocable to such Series or maturity shall be paid to such entity having theretofore made a corresponding payment on the related Bonds. Capitalized interest, if any, for each Series of the Bonds deposited in the Capitalized Interest Account of the Debt Service Fund and any income and profits derived therefrom shall be used, to the extent necessary, to pay interest on each of the Bonds of such Series.

In the event of a deficiency in the Debt Service Fund on any Interest Payment Date, the Trustee may withdraw capitalized interest to make up such deficiency. Any moneys on deposit in the Debt Service Fund for capitalized interest with respect to the Bonds of a Series not needed to pay interest on the Bonds of such Series pursuant to the preceding sentence may be used in the same manner as any other moneys on deposit in the Debt Service Fund. Investment earnings posted to the Capitalized Interest Account of the Debt Service Fund shall remain on deposit therein.

At the maturity date or redemption date of each Bond and at the due date of an Amortization Installment and installment of interest on the Bonds, the Trustee shall transfer from the Debt Service Fund to the Paying Agent, for such Bonds sufficient moneys to pay all principal of, redemption premium, if any, and interest then due and payable with respect to such Bonds. If on the Business Day prior to any payment date on which principal of, redemption premium, if any, or interest is due on the Bonds, the amount then on deposit in the Debt Service Fund shall not be at least equal to the sum of the interest, principal and redemption payments due on such payment date, the Trustee shall deposit amounts from the applicable account or accounts in the Reserve Fund in accordance with the Indenture to the Debt Service Fund in an amount necessary to cure such deficiency. If an account in the Reserve Fund is funded with a Reserve Product the Trustee shall give all notices and take all actions as shall be required of the Trustee by the terms of the Reserve Product, by the times required thereby, to cause proceeds of the Reserve Product to be delivered to the Paying Agent on or before the applicable payment date with respect to the Bonds.

Moneys on deposit in the Debt Service Fund for the redemption of Bonds shall be applied to the retirement of Bonds issued under the provisions of the Indenture and then Outstanding in the following manner:

(i) The Issuer may purchase Outstanding Term Bonds redeemable from Amortization Installments during such Bond Year, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all Term Bonds in such Series if more than one Series of such Term Bonds are Outstanding, or if no such Term Bonds are then Outstanding, the Issuer may purchase Serial Bonds whether or not such Bonds shall then be subject to redemption, but only to the extent moneys are available therefor, at the most advantageous price

obtainable, such price not to exceed the principal of such Bonds plus accrued interest but no such purchase shall be made by the Issuer within a period of thirty (30) days next preceding any Interest Payment Date on which such Bonds are subject to call for redemption under the provisions of the Indenture;

(ii) Then, to the extent moneys remain on deposit in the Debt Service Fund that are held for the redemption of Bonds, the Issuer may call for redemption on each Interest Payment Date on which Bonds are subject to redemption, with or without redemption premium, from such moneys, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to subparagraph (i) above as will nearly as may be possible exhaust the remainder of the Amortization Installment for such Bond Year; and

(iii) Then, to the extent moneys remain on deposit in the Debt Service Fund that were deposited therein pursuant to the Indenture for the purpose of redeeming Bonds, the Issuer may call any remaining Bonds then subject to redemption, in such order and by such selection method as the Trustee, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

(iv) Then, to the extent moneys remain on deposit in the Debt Service Fund that were deposited therein pursuant to the Indenture for the purpose of redeeming Bonds, the Issuer may, in its discretion from time to time (a) use such moneys to make capital improvements to the Housing System, or (b) keep such moneys on deposit in the Debt Service Fund for future use pursuant to the terms of the Indenture; provided, however, that such moneys shall be used for any purpose or purposes allowed pursuant to clause (a) above only if the Issuer shall obtain an opinion of Bond Counsel to the effect that such use will not, in and of itself, cause the interest on any Bond (other than any Taxable Bond) to become included in the gross income of the Owners thereof for federal income tax purposes.

If Term Bonds are purchased or redeemed pursuant to the Indenture in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for such Term Bonds in such Bond Year or Bond Years as the Issuer may determine and as may be reflected in the Issuer's permanent accounting records.

Notwithstanding the foregoing, to the extent that moneys are deposited into the Debt Service Fund in a given Bond Year in an amount equal to the Amortization Installment for such Bond Year and are applied to purchase or redeem Term Bonds to which such Amortization Installment applies, then all moneys thereafter deposited to the Debt Service Fund in such Bond Year may be applied as provided in subparagraphs (i) through (iv) above.

Reserve Fund

Prior to the issuance of each Series of Bonds, the Issuer shall designate the Reserve Requirement, if any, that it may determine be required with respect to such Series of Bonds. The Trustee shall establish one or more accounts within the Reserve Fund which accounts shall secure only those Series of Bonds as shall be designated by the Issuer. Each Series of Bonds shall be secured only by the account in the Reserve Fund created and established with respect to such Series of Bonds and shall have no lien on or right to payment from any other account in the Reserve Fund. Funds on deposit in the separate accounts in the Reserve Fund, if any, shall be used solely to cure deficiencies in the Debt Service Fund with respect to the Series of Bonds to which such account pertains. If funds on deposit in any account within the Reserve Fund

exceed the Reserve Requirement with respect to the Series of Bonds secured thereby, such excess shall be applied as provided in the Indenture. The Reserve Requirement for the Series 2019B Bonds is \$0. The Reserve Requirement for the Series 2019C Bond is \$0.

Any withdrawals from or deficiency in an account within the Reserve Fund shall be subsequently restored from the first moneys available in the Revenue Fund, after all required current payments for Operating Expenses as set forth above and all current applications and allocations to the Debt Service Fund, including all deficiencies for prior payments have been made in full. Notwithstanding the foregoing, in case of withdrawal from an account within the Reserve Fund, in no event shall the Issuer be required to deposit into the Reserve Fund an amount greater than that amount necessary to ensure that the difference between the Reserve Requirement for a particular Series of Bonds and the amounts on deposit in applicable account within the Reserve Fund on the date of calculation shall be restored not later than sixty (60) months after the date of such deficiency (assuming equal monthly payments into the Reserve Fund for such sixty (60) month period).

If the Issuer shall have determined, or be required, to fund an account in the Reserve Fund with respect to a Series of Bonds, notwithstanding the foregoing, the Issuer shall not be required to fully fund such account in the Reserve Fund with cash at the time of issuance of such Series of Bonds under the Indenture if it provides at any time with respect to such Series of Bonds in lieu of all or a portion of such funds, a Reserve Product issued by a Reserve Product Provider in an amount following the provision of such Reserve Product which, together with other amounts that will remain on deposit in the applicable account in the Reserve Fund, will equal the Reserve Requirement with respect to such Series of Bonds. Such Reserve Product as provided above must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held thereunder for a payment with respect to such Series of Bonds secured thereby which cannot be cured by funds in any other account held pursuant to the Indenture and available for such purpose, and which shall name the Paying Agent or the Issuer as the beneficiary thereof for the benefit of the Bondholders of such Series of Bonds.

Costs of Issuance

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 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 the costs of issuance upon the delivery to the Trustee of a Requisition For Payment substantially in the form attached as Exhibit A to the Indenture, executed by the Authorized Officer of the Issuer and containing the information required to complete Schedule A to such Requisition for Payment. 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.

Any funds on deposit in the Costs of Issuance Fund or the Construction Fund, that, in the opinion of the Issuer, are not immediately necessary for expenditure, may be invested in Investment Obligations (as that term is defined in the Indenture), provided that such investments mature or are redeemable at not less than par on or before the date such funds are estimated to be needed.

Construction Fund

Moneys in the Construction Fund and in each account thereof shall be kept separate and apart from all other funds and accounts of the Issuer, and proceeds of the appropriate Series of Bonds on deposit in the Construction Fund, shall be disbursed by the Trustee from the Construction Fund and applied by the Issuer to pay the Cost of any Project upon the delivery to the Trustee of a Requisition For Payment substantially in the form attached as Exhibit A to the Indenture, 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 Construction 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 funds on deposit in the Construction Fund that, in the opinion of the Issuer, are not immediately necessary for expenditure, as hereinabove provided, may be invested in Investment Obligations, provided that such investments mature or are redeemable at not less than par on or before the date such funds are estimated to be needed.

Liquidated damages or settlement payments, to the extent available and received by the Issuer as a result of the breach by any contractor, subcontractor or supplier working or supplying goods for any Project of any representation, warranty or performance guaranty, and all insurance and condemnation proceeds received with respect to damages to or the taking of any Project during construction or any moneys received by the Issuer as contributions towards or reimbursements of Cost of any Project shall, at the discretion of the Issuer, be deposited into the appropriate account or accounts in the Construction Fund to ensure completion of such Project or shall be deposited into the Debt Service Fund for the payment of Bonds.

Upon completion of any Project, as certified by the Authorized Officer of the Issuer, any amounts then remaining in the Construction Fund and not reserved by the Issuer for the payment of eligible costs shall be transferred to the Debt Service Fund and used to pay principal next coming due on the Bonds maturing or subject to mandatory redemption in the manner described in the Indenture.

2019B Rebate Account

The Issuer shall deposit into the 2019B Rebate Account, from investment earnings on moneys deposited in the other funds and accounts created under the Indenture, or from any other legally available funds of the Issuer, an amount equal to the 2019B Rebate Amount for such Rebate Year. The Issuer shall engage a qualified rebate analyst (the "2019B Rebate Analyst") to calculate the 2019B Rebate Amount. Such moneys deposited in the Rebate Account shall be used only for the payment of the 2019B Rebate Amount to the United States as required by the Indenture 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 2019B Rebate Account after payment in full of all Series 2019B Bonds issued under the Indenture that are not Taxable Bonds and after payment in full of the 2019B Rebate Amount to the United States in accordance with the terms of the Indenture 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 Taxable Bonds or to pay principal and interest on Taxable Bonds.

The 2019B 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 in the Indenture.

Repair and Replacement Fund

All amounts on deposit in the Repair and Replacement Fund may be withdrawn by the Issuer or the Managers, from time to time, (i) for the payment of the costs of acquisition of equipment, fixtures or furnishings and construction, rehabilitation, repair, replacement or improvement of the Housing System, or (ii) to satisfy deficiencies in certain events in the application of Pledged Revenues from the Revenue Fund under the Indenture. The Repair and Replacement Fund shall not be applied to funds and accounts securing the Subordinate Bonds. Withdrawals for repairs and replacements under clause (i) above shall be made upon the delivery to the Trustee of a Requisition For Payment substantially in the form attached to the Indenture, executed by the Authorized Officer of the Issuer or the University and containing certain information, including a certification that such costs have a capitalizable useful life greater than one year under generally accepted accounting principles. In making any such disbursement from the Repair and Replacement 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. The Issuer shall deliver a certificate to the Trustee signed by the Authorized Officer of the Issuer prior to each July 1st setting forth the Repair and Replacement Fund Requirement for the ensuing Fiscal Year. The Trustee may conclusively rely on such certificate in determining the amounts required to be deposited into the Repair and Replacement Fund for the respective Fiscal Year.

Surplus Fund

Amounts on deposit in the Surplus Fund shall be applied by the Trustee in the following order of priority: (1) to satisfy any deficiency in any application of Pledged Revenues from the Revenue Fund, such deficiency shall be transferred, from time to time, to the Revenue Fund in accordance with the Indenture, provided, however, that no amount shall be transferred for the benefit of the Subordinate Bonds during the pendency of an Event of Default under the Indenture, (2) to deposit in the operating account established pursuant to the Management Agreement an amount equal to the Operating Expenses for the then current Fiscal Year, (3) to deposit in the Senior Bonds Interest Account of the Debt Service Fund an amount sufficient to pay the interest payments coming due on all Senior Bonds during the current Fiscal Year, (4) to deposit in the Senior Bonds Principal Account of the Debt Service Fund an amount sufficient to pay the principal payments to be paid during the current Fiscal Year on all Senior Bonds, (5) to deposit an amount sufficient to restore any deficiency in the Reserve Fund, (6) to deposit in the interest accounts in the Subordinate Bonds Interest Account of the Subordinate Debt Service Fund an amount sufficient to pay the interest payments coming due on all Subordinate Bonds during the current Fiscal Year, (7) to deposit in the Subordinate Bonds Principal Accounts of the Subordinate Debt Service Fund an amount sufficient to pay the principal payments to be paid on all Subordinate Bonds during the current Fiscal Year, and (8) used by the Issuer for any lawful purpose at the written direction of the University.

Covenants of the Issuer

The Issuer covenants in the Indenture that it will promptly pay the principal of, redemption premium, if any, and interest on every Bond issued thereunder, at the place, on the dates and in the manner and to the extent provided therein and in the Series 2019B and C Bonds according to the true intent and

meaning thereof; provided, however, 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 therein and nothing in the Series 2019B and C Bonds or the Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer other than such Pledged Revenues as provided therein.

The Issuer covenants in the Indenture that it will faithfully perform, at all times, any and all covenants, undertakings, stipulations and provisions contained therein, in any and every Series 2019B and C Bond executed, authenticated and delivered thereunder, and in all of its proceedings pertaining thereto and the Management Agreement. The Issuer covenants in the Indenture that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized thereby, and to execute the Indenture, the Management Agreement, the Ground Sublease Agreement and the Continuing Disclosure Undertaking, if applicable, and to pledge the amounts thereby pledged in the manner and to the extent set forth therein. The Issuer further covenants in the Indenture that all action on its part for the issuance of the Series 2019B and C Bonds and the execution and delivery of the Indenture has been duly and effectively taken, and that the Series 2019B and C Bonds, held by the Owners thereof, are and will be valid and enforceable limited obligations of the Issuer according to the terms thereof and in the Indenture.

The Issuer covenants in the Indenture to comply, in accordance with the provisions of Rule 15c2-12 in effect from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, to comply with the provisions of each Continuing Disclosure Undertaking; provided, however, that failure to comply shall not constitute an Event of Default under the Indenture. See "CONTINUING DISCLOSURE" herein.

Investment of Moneys

Moneys held for the credit of the funds and accounts established under the Indenture will be invested and reinvested at the written instruction of the Issuer in Investment Obligations (as that term is defined in the Indenture). Such investments or reinvestments shall mature or become available not later than the respective dates, as estimated by the Issuer, that the moneys held for the credit of said funds and accounts will be needed for the purposes of such funds or accounts.

Obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of such fund or account, and shall at all times, for the purposes of the Indenture, be valued by the Trustee annually on June 30 of each year at the market value thereof, exclusive of accrued interest as determined by the Issuer.

Except as otherwise expressly provided in the Indenture, including specifically the rebate payment obligations of the Issuer, all income and profits derived from the investment of moneys in the Debt Service Fund shall remain in such Fund. All income and profits derived from the investment of funds in the Reserve Fund, if any, shall be retained in the applicable subaccount therein until amounts on deposit in such subaccount equal the applicable Reserve Requirement, and thereafter shall be transferred to the Senior Bonds Interest Account of the Debt Service Fund. All income and profits derived from the investment of funds in the Construction Fund shall be retained in the applicable account therein until the completion of the Project being funded from such account. All income and profits derived from the investment of funds in the Costs of Issuance Fund shall be retained therein until all costs of issuance of the related Series of Bonds have been paid. All income and profits derived from the investment of funds in the Repair and

Replacement Fund, if any, shall be retained in the applicable subaccount therein until amounts on deposit in such subaccount equal the applicable Repair and Replacement Fund Requirement, and thereafter all shall be transferred to the Senior Bond Interest Account of the Debt Service Fund to pay principal and interest on the Senior Bonds. The Trustee shall have no responsibility to assure that the Issuer so deposits any funds transferred in accordance with the preceding two sentences. Notwithstanding the foregoing, income and profits derived from the investment of moneys in the funds and accounts created under the Indenture may, at the option of the Issuer, be transferred to the Issuer in order to satisfy its rebate payment obligations.

Amounts Remaining in Funds and Accounts

After full payment (or provision for payment) of the Series 2019B and C Bonds and all rebate payment obligations and discharge of the Indenture, payment of all fees and expenses of the Trustee and the charges, expenses and attorneys fees of the Trustee, the Issuer and any Paying Agent, and all other amounts required to be paid under the Indenture, all amounts thereafter remaining in any fund or account shall be paid to the Issuer to be used to make capital improvements to the Project or any other lawful purpose.

Defaults; Events of Default

If any of the following events occur, subject to the provisions of the Indenture, it is defined as and declared in the Indenture to be and to constitute a "Default" or an "Event of Default:"

- (A) Default by the Issuer in the due and punctual payment of any interest on any Bond;
- (B) Default by the Issuer in the due and punctual payment of the principal of any Bond, whether at the stated maturity thereof or when the same is scheduled to be called for redemption; and
- (C) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in this Indenture, in the Series 2019B and C Bonds, or in the Management Agreement and failure to remedy the same after notice thereof pursuant to the Indenture.

Acceleration

(A) Upon the occurrence of an Event of Default as specified above, the Trustee may, and upon the written request of the Holders of the majority of the Bond Obligation related to the Senior Bonds the Trustee shall, declare, by written notice delivered to the Issuer and the Managers, the principal of all Senior Bonds then Outstanding (if not then due and payable), together with interest accrued thereon, to be immediately due and payable.

(B) Any such declaration shall be by notice in writing to the Issuer, and, upon said declaration, principal and interest on all Senior Bonds shall become due and payable. The Trustee immediately upon such declaration shall give notice thereof in the same manner as provided in the Indenture with respect to the redemption of the Senior Bonds. Such notice shall specify the date on which payment of principal and interest shall be tendered to the Holders of the Senior Bonds. Interest shall accrue to the payment date determined by the Trustee pursuant to such declaration or the actual payment date, if later.

(C) If and only if, the Senior Bonds are no longer Outstanding under the Indenture or the Senior Bonds have been accelerated in accordance with Section 8.02 (A) of the Indenture, then upon receipt

of the requisite written request from the Holders of the Subordinate Bonds the Trustee shall apply paragraphs (A) and (B) above to the acceleration of the Subordinate Bonds.

A copy of the Master Indenture and a form of the Third Supplemental Indenture are attached hereto as APPENDIX C.

THE MANAGEMENT AGREEMENT AND THE MANAGER

Pursuant to the Management Agreement, the Issuer has engaged the University and C-BB, and its successors, to manage the Housing System and the DBF Facilities in accordance with the duties specified therein. The term of the Management Agreement commenced on July 1, 2011 and terminates on July 1, 2021. Upon the expiration of the Management Agreement, or earlier, the Issuer intends to negotiate a new management agreement with the University and another manager that may not be C-BB or its successors. The terms of any subsequent management agreement relating to the preparation of the budget regarding the System Revenues, the collection and transfer of System Revenues to the Trustee and the deposit to and application of funds for the operation and maintenance of the Housing System and the DBF Facilities will be consistent with the requirements of the Indenture.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2019B and C Bonds and the issuance thereof by the Issuer are subject to the approval of Bryant Miller Olive P.A., Bond Counsel, whose approving opinion will be delivered concurrently with the issuance of the Series 2019B and C Bonds. Certain legal matters will be passed upon for the Issuer by the Issuer's Office of General Counsel. Certain legal matters will be passed upon for the Underwriters by its counsel, Foley & Lardner LLP, Jacksonville, Florida.

The proposed text of the legal opinion of Bond Counsel is attached hereto as APPENDIX D. The actual legal opinion to be delivered may vary from the text of APPENDIX D, if necessary, to reflect facts and law on the date of delivery of the Series 2019B and C Bonds. The opinion will speak only as of its date and subsequent distribution of such opinion by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of such opinion, Bond Counsel has affirmed its opinion.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Series 2019B and C Bonds and the tax-exempt status of interest on the Series 2019B Bonds, as described under the caption "TAX MATTERS" herein and will make no statement regarding the accuracy or completeness of this Official Statement.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2019B and C Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer

or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LITIGATION

The Issuer has advised that no litigation or proceedings are pending or, to its knowledge, threatened against the Issuer (i) in which an adverse determination would have a material adverse impact on the Series 2019B and C Bonds or would materially and adversely affect the properties, operations or financial condition of the Issuer, including the DBF Facilities and the Housing System, (ii) which if decided adversely to the Issuer, could materially and adversely affect the transactions contemplated by this Official Statement, (iii) which seek to restrain or enjoin the issuance, sale or delivery of the Series 2019B and C Bonds, or (iv) which could materially and adversely affect the validity or enforceability of the Series 2019B and C Bonds.

TAX MATTERS

Series 2019B Bonds

General. The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2019B Bonds in order that interest on the Series 2019B Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2019B Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2019B Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2019B Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Issuer has covenanted in the Indenture with respect to the Series 2019B Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2019B Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2019B Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2019B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2019B Bonds. Prospective purchasers of Series 2019B Bonds should be aware that the ownership of Series 2019B Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2019B Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2019B Bonds; (iii) the inclusion of interest on Series 2019B Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2019B Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2019B Bonds in "modified

adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2019B Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2019B BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the Series 2019B Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2019B Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2019B Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2019B Bonds and proceeds from the sale of Series 2019B Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2019B Bonds. This withholding generally applies if the owner of Series 2019B Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2019B Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters. During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2019B Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2019B Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2019B Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2019B Bonds.

Prospective purchasers of the Series 2019B Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2019B Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount. Under the Code, the difference between the maturity amount of the Series 2019B Bonds maturing on _____ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium. The difference between the principal amount of the Series 2019B Bonds maturing on _____ (collectively, the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Series 2019C Bonds

INTEREST ON THE SERIES 2019C BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. Except as described herein, Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2019C Bonds. Holders of the Series 2019C Bonds should consult their tax advisors with respect to the inclusion of interest on Series 2019C Bonds in gross income for federal income tax purposes.

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2019C Bonds by certain persons. The summary is based upon provisions of the Code, the regulations promulgated thereunder and rulings and court decisions now in effect, all of which are subject to change. This summary is intended as a general

explanatory discussion of the consequences of holding the Series 2019C Bonds, limited to those persons who hold the Series 2019C Bonds as “capital assets” within the meaning of Section 1221 of the Code. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding the Series 2019C Bonds as a hedge against currency risks or as a position in a straddle for tax purposes, foreign investors or persons whose functional currency is not the U.S. dollar. This summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of the Series 2019C Bonds. Potential purchasers of the Series 2019C Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2019C Bonds.

As stated above, interest on the Series 2019C Bonds is not excluded from gross income for federal income tax purposes. Purchasers other than those who purchase the Series 2019C Bonds in the initial offering at their principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2019C Bonds. Generally, interest paid on the Series 2019C Bonds and recovery of accrued original issue and market discount, if any, will be treated as ordinary income to the Bondholder, and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

Market Discount. If a bondholder purchases the Series 2019C Bonds in the secondary market for an amount that is less than the adjusted issue price of the Series 2019C Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount. Absent an election to accrue market discount currently, upon a sale, exchange or other disposition of the Series 2019C Bonds, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of the sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense intended to carry a market discount bond is limited. Such bondholders should consult their own tax advisors with respect to whether or not they should elect to accrue market discount currently, the determination and treatment of market discount for federal income tax purposes and the state and local tax consequences of owning such Series 2019C Bonds.

Tax Treatment of Bond Premium for the Series 2019C Bonds. If a bondholder purchases a Series 2019C Bond at a cost greater than its principal amount, the bondholder may elect to treat such excess as amortizable bond premium. As the tax accounting treatment of bond premium is complex, such bondholders should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Sale, Exchange or Redemption. Upon a sale, exchange or redemption of the Series 2019C Bonds, bondholders will generally realize a capital gain or loss on the Series 2019C Bonds equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the bondholder’s adjusted tax basis on the Series 2019C Bonds. The bondholder’s adjusted tax basis for the Series 2019C Bonds is the price such owner pays for the Series 2019C Bonds plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than qualified periodic interest payments) and any amortized bond premium. The legal defeasance of the Series 2019C Bonds may result in a deemed sale or exchange of such bonds under certain circumstances, in which event an owner of the Series 2019C Bonds will also recognize taxable gain or loss as described above. Owners of such Series 2019C Bonds should consult their tax advisors as to the federal income tax consequences of such an event.

Information Reporting and Backup Withholding. The Code subjects certain non-corporate owners of Series 2019C Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2019C Bonds and proceeds from the sale of Series 2019C Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2019C Bonds. This withholding generally applies if the owner of Series 2019C Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2019C Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Nonresidents. Under the Code, interest and original issue discount income with respect to the Series 2019C Bonds held by nonresident alien individuals, foreign corporations and other non-United States persons ("Nonresidents") may not be subject to withholding. Payments on the Series 2019C Bonds to a Nonresident that has no connection with the United States other than holding the Series 2019C Bonds will generally be made free of withholding tax, as long as such holder has complied with certain tax identification and certification requirements. Nonresidents should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2019C Bonds.

The above discussion was written to support the promotion and marketing of the Bonds and was not intended or written to be used, and cannot be used, by a taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

FINANCIAL ADVISOR

The Issuer has retained Dunlap & Associates, Inc., Orlando, Florida, as Financial Advisor in connection with the Issuer's financing plans and with respect to the authorization and issuance of the Series 2019B Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to independently verify or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial Advisor did not participate in the underwriting of the Series 2019B Bonds. The Financial Advisor is an SEC registered municipal advisor and is not engaged in the business of underwriting, marketing or trading of municipal securities or any other negotiable instruments.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of the arithmetical computations of the adequacy of the cash or securities deposited to pay when due all principal of and interest on the Refunded Bonds will be verified for the Issuer by the Verification Agent. Such verification will be based on certain information supplied to the Verification Agent by BofA Securities, Inc., as Senior Managing Underwriter.

RATINGS

Fitch Ratings ("Fitch") and Moody's Investors Service ("Moody's") have assigned municipal bond ratings of "A+" (stable outlook) and "A1" (stable outlook), respectively, to the Series 2019B and C Bonds. The ratings reflect only the views of said rating agencies and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings, may have an adverse effect on the market price of the Series 2019B and C Bonds. An explanation of the significance of the ratings can be received from the rating agencies, at the following addresses: Fitch, One State Street Plaza, New York, New York 10004; and Moody's, 99 Church Street, New York, New York 10007-2796.

UNDERWRITING

The Series 2019B Bonds are being purchased by BofA Securities, Inc., as Senior Managing Underwriter, and Raymond James & Associates, Inc., as Co-Manager (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Series 2019B Bonds at a price of \$_____ (representing the principal amount of \$_____ **[plus/less an] [net] bond [original issue premium/discount]** of \$_____ and less an Underwriters' discount of \$_____). The Underwriters have agreed to purchase the Series 2019C Bonds at a price of \$_____ (representing the principal amount of \$_____ less an Underwriters' discount of \$_____).

The prices and other terms with respect to the offering and sale of the Series 2019B and C Bonds may be changed from time to time by the Underwriters after such Series 2019B and C Bonds are released for sale, and the Series 2019B and C Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Series 2019B and C Bonds into investment accounts.

BofA Securities, Inc., an underwriter of the Series 2019B and C Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2019B and C Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the Issuer and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer. The Underwriters and their respective affiliates may also communicate

independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2019B and C Bonds if any Series 2019B and C Bonds are purchased. The Series 2019B and C Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2019B and C Bonds into investment trusts) at prices lower than the public offering prices, and such public offering prices may be changed from time to time by the Underwriters.

CONTINGENT FEES

The Issuer has retained Bond Counsel and Disclosure Counsel with respect to the authorization, sale, execution and delivery of the Series 2019B and C Bonds. Payment of the fees of such professionals, the Financial Advisor to the Issuer, counsel to the Underwriters, and an underwriting discount to the Underwriters are each contingent upon the issuance of the Series 2019B and C Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2019B and C Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019B and C Bonds, including Bond Counsel's approving opinion, will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See "APPENDIX C - FORM OF INDENTURE" attached hereto for a description of events of default and remedies.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, and the rules promulgated thereunder, no person may directly or indirectly offer or sell securities of the Issuer except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the Issuer, and certain additional financial information, unless the Issuer believes in good faith that such information would not be considered material by a reasonable investor. The Issuer is not and has not been in default on any bond issued since December 31, 1975.

CONTINUING DISCLOSURE

The Issuer has covenanted for the benefit of the Series 2019B and C Bondholders to provide certain financial information and operating data relating to the Housing System and the DBF Facilities and the Series 2019B and C Bonds in each year, and to provide notices of the occurrence of certain enumerated material events with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB").

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E - FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached hereto. The Continuing Disclosure Undertaking will be executed by the Issuer prior to the issuance of the Series 2019B and C Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

In order to demonstrate its continued commitment to transparency, while neither the University or the Issuer find any of the following instances to be a material non-compliance with prior continuing disclosure undertakings, during the past five year reporting period, the Issuer and/or the University have (i) filed certain information that was not in the original format presented or was discernable from other filings on EMMA not linked to all bonds of the Issuer and (ii) filed certain information that was labeled incorrectly or contained mathematical errors. The Issuer has cured the linkage issues referred to in (i) and will file such information in the original format in the future and has filed corrective filings to cure the issues referred to in (ii) (original filings remain archived on EMMA). The Issuer has internal policies and procedures in place to ensure compliance with its continuing disclosure obligations in the future.

FINANCIAL STATEMENTS

The Issuer's Financial Report for the Fiscal Year Ended June 30, 2019, attached hereto as APPENDIX A has been audited by Keefe McCullough, Certified Public Accountants (the "Auditor"), as set forth in its report dated _____, 2019. The Financial Report is included as a publicly available record, and the consent of the Auditor to include such report was not requested. The Auditor was not requested to perform and has not performed any services in connection with the preparation of this Official Statement or the issuance of the Series 2019B and C Bonds.

The financial statements of the University for the Fiscal Year Ended June 30, 2018, attached hereto as APPENDIX B have been audited by the Auditor General of the State of Florida (the "Auditor General") as a component unit of the State, as set forth in its report dated March 11, 2019. Such financial statements are included as a publicly available record, and the consent of the Auditor General to include such report was not requested. The Auditor General was not requested to perform and has not performed any services in connection with the preparation of this Official Statement or the issuance of the Series 2019B and C Bonds.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the Issuer and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference

to each such document and to each such statute, report or instrument. Copies of such documents, reports or instruments may be obtained upon written request to the Issuer at the following address: The FAU Finance Corporation, c/o Florida Atlantic University, 777 Glades Road, Administration Bldg. – Room 345, Boca Raton, Florida 33431-0991

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2019B and C Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the Issuer. At the time of delivery of the Series 2019B and C Bonds, the Issuer will furnish a certificate to the effect that nothing has come to its attention which would lead it to believe that the Official Statement (other than information herein related to DTC, the book-entry only system of registration and the information contained under the caption "TAX MATTERS" as to which no certification shall be expressed), as of its date and as of the date of delivery of the Series 2019B and C Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

THE FAU FINANCE CORPORATION

By: _____
Executive Director

APPENDIX A

**FINANCIAL REPORT OF THE FAU FINANCE CORPORATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

APPENDIX B

**FINANCIAL STATEMENTS OF FLORIDA ATLANTIC UNIVERSITY
FOR FISCAL YEAR ENDED JUNE 30, 2018**

APPENDIX C

FORM OF INDENTURE

APPENDIX D

FORM OF BOND COUNSEL OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING