

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

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

Section 1. The Board of Directors (the "Board of Directors") of The FAU Finance Corporation (the "DSO") established by the Board of Trustees (the "Board") of Florida Atlantic University (the "University") hereby authorizes the issuance of debt by the DSO and requests the Board of Trustees of Florida Atlantic University to approve the issuance of debt in an amount not exceeding \$140,000,000 (the "Debt") for the purpose of financing the construction of certain student housing and related facilities (the "Project") on the Boca Raton campus of the University.

Section 2. The Project will consist of the construction of a 1,218-bed student housing facility comprised of two buildings located on the campus of the University in Boca Raton, Florida. The seven-story Building I will contain 148 apartments in a four bedroom/two bath configuration along with 7 one bedroom/one bath RA units and 2 three bedroom/two bath manager apartments. The eight-story Building II will contain 90 apartments in a four bedroom/two bath configuration and 120 apartments in a two bedroom/two bath configuration. In addition, Building II will house 7 one bedroom/one bath RA units and 2 three bedroom/two bath manager apartments. Both buildings have an approximate square footage of 504,000 square feet, including the common area. The Project is reflected on the approved master plan for the University and is consistent with the mission of the University because it will provide needed student housing facilities. Construction of the Project is expected to begin in February of 2010 and to be completed by August of 2011. Proceeds of the Debt are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to section 1010.62, Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

Section 3. The Debt is to be secured by a lien on the net revenues of the Project and surplus operating revenues of the existing student housing facilities located on the Boca Raton campus to be leased by the University to the DSO subject to the University's prior claim on such revenues to pay its obligations on its outstanding housing revenue bonds. The University is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes.

Section 4. The Debt will mature not more than 30 years after issuance, including any

extensions or renewals thereof. The Project has an estimated useful life of 40 years, which is beyond the anticipated final maturity of the Debt. The Debt will bear interest at a fixed interest rate.

Section 5. The Debt, which consists of Student Housing Revenue Bonds (the "Bonds") to be issued by the DSO, will be sold through negotiated sale. A negotiated sale is necessary due to the complexity of the proposed financing, which includes the structuring of two series of subordinate bonds that shall be sold through private placements. Additionally, the University wishes to have additional flexibility in the structuring of cost effective financing alternatives, which may include the issuance of taxable Build America Bonds. The underwriter was selected as part of a competitive process in summer 2008. An analysis showing that a negotiated sale is desirable is attached in Appendix A.

Section 6. A portion of the Bonds may be issued as Build America Bonds thus bearing a taxable interest rate. The issuance of the Build America Bonds on a taxable basis is in the best interest of the University because the DSO will receive a 35% subsidy from the United States Treasury offsetting the interest cost of the Bonds.

Section 7. The Board of Directors will comply, and will require the DSO to comply, with all requirements of federal and state law relating to the Debt, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Bonds issued as tax exempt obligations, laws relating to maintaining the qualifications for the Build America Bond subsidy payments and continuing secondary market disclosure of information regarding the Bonds.

Section 8. The DSO will comply with the Debt Management Guidelines and the debt management policy of the University.

Section 9. The Chairperson or Vice Chairperson and Secretary or other authorized officer, and other authorized representatives of the Board of Directors and the DSO are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Debt.

Section 10. In making the determination to finance the Project, the Board of Directors has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the Debt Management Guidelines, the University's debt management policy, and applicable law.

Section 11. This Resolution shall take effect immediately upon its adoption.

Adopted this 13th day of November, 2009.

Appendix A

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

- a. the project program, feasibility study, or consultant report;
- b. a draw schedule for the project;
- c. sources and uses of funds for the project;
- d. an estimated debt service schedule;
- e. a description of the security supporting repayment and the lien position the debt will have on that security;
- f. a five year history, if available, and a five year projection, of the pledged revenues and the debt service coverage;
- g. any negotiated sale analysis.