



Item: AF-3

Wednesday, March 24, 2010

SUBJECT: REQUEST FOR APPROVAL OF A RESOLUTION RESTRICTING THE ISSUANCE OF FUTURE DEBT SECURED BY EXISTING HOUSING REVENUES AND DESIGNATING THE FAU FINANCE CORPORATION AS THE AGENT OF THE UNIVERSITY FOR THE DEVELOPMENT AND CONSTRUCTION OF THE INNOVATION VILLAGE PHASE I HOUSING FACILITIES.

PROPOSED BOARD ACTION

Recommend approval of a resolution (i) imposing certain restrictions on the issuance of future debt secured by existing housing revenues and (ii) designating The FAU Finance Corporation as the agent of the University for the development and construction of the Innovation Village Phase I housing facilities.

BACKGROUND 1

FC”), an FAU direct support organization, with the proceeds of
nt Revenue Bonds in an amount not to exceed \$140,000,000 (the

y revenues generated by the Housing Project and surplus operating
udent housing facilities located on the Boca Raton campus to be
the DSO subject to the University’s prior claim on such revenues to
utstanding Housing Revenue Bonds, Series 2000, 2003, 2006A and
s”). The University Bonds have been issued by the State of Florida
DBF”) pursuant to the provision of its resolution adopted on July
plemented (the “DBF Bond resolution”).

possible rating on the Debt, the financing plan requires that no
issued pursuant to the

University will not request that the DBF issue any additional series of housing revenue bonds pursuant to the DBF Bond Resolution. This restriction, however, in no way prohibits the University from requesting the assistance of DBF with the future issuance of housing revenue bonds secured by a lien on the revenues to be generated by any proposed housing facilities to be financed with the proceeds from the sale of such bonds.

Also on December 16, 2009, this Board approved the form of Development Agreement by and between FAUFC and B ~~12A0B~~

A RESOLUTION RELATED TO THE RESTRICTION ON THE ISSUANCE OF FUTURE SERIES OF HOUSING REVENUE BONDS THAT ARE SECURED BY A PLEDGE OF HOUSING SYSTEM REVENUES ON A PARITY WITH THE LIEN GRANTED TO HOLDERS OF CERTAIN OUTSTANDING HOUSING REVENUE BONDS PREVIOUSLY ISSUED BY THE DIVISION OF BOND FINANCE ON BEHALF OF THE FLORIDA ATLANTIC UNIVERSITY; DESIGNATING THE FAU FINANCE CORPORATION AS ITS AGENT FOR PURPOSES OF DEVELOPMENT AND CONSTRUCTION OF THE PROJECT DESCRIBED HEREIN; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Atlantic University Board of Trustees, on its behalf, Phase I of the development of a student village (the "Project"); and

and, based on such authorization and direction the Finance Corp proposes to issue Housing Revenue Bonds (the "Series 2010 Bonds") in an aggregate par amount not to exceed \$10,000,000 pursuant to a Trust Indenture between the Corporation and U.S. Bank of Florida, N.A., as trustee, to be secured by revenues generated by Phase I of the Project and U.S. of Florida, N.A. @ #

NOW, THEREFORE, BE IT RESOLVED by The Board of Trustees of Florida Atlantic University (the "Board of Trustees") as follows:

Section 1. The Board of Trustees hereby agrees that so long as the Series 2010 Bonds remain outstanding the Board of Trustees will not request DBF issue any additional series of housing revenue bonds pursuant to the DBF Bond Resolution; provided, however, this restriction in no issue; ~~DBF~~ bonds

Section

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