

BOARD OF GOVERNORS

September 15, 2005

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida to Issue Revenue Bonds on Behalf of the University of Central Florida to Refinance All or a Portion of Certain Outstanding Housing Revenue Bonds of the University of Central Florida

UNIVERSITY AFFECTED: University of Central Florida

PROPOSED BOARD ACTION

Adopt a resolution requesting the Division of Bond Finance of the State Board of Administration of Florida to issue revenue bonds on behalf of the University of Central Florida, in an amount not exceeding \$50,000,000 for the purpose of refinancing all or a portion of the outstanding State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 1996 and Series 1999.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 1010.60(1), Florida Statutes, and Article IX, Section 7D, Florida Constitution.

BACKGROUND INFORMATION

The Division of Bond Finance is proposing the refinancing of all or a portion of the \$18,420,000 State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 1996, of which \$16,310,000 is currently outstanding. Of this amount, it is anticipated that \$15,460,000 will be refunded. Additionally, the Division of Bond Finance is proposing the refinancing of all or a portion of the \$28,140,000 State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 1999, of which \$26,685,000 is currently outstanding. Of this amount, it is anticipated that \$23,770,000 will be refunded. The level of debt service savings and annual true interest cost rate achieved will be impacted by market conditions in existence at the time of issuance.

Proceeds from the refunding bonds will be deposited in an escrow defeasance account where they will be invested until needed to make required payments on the original bonds. The amount of the refunding bonds is greater than the currently outstanding principal balance of the original bonds in order to generate an amount sufficient to meet the required payments of principal and interest for the original bonds and the costs associated with the refunding bonds. A savings is realized from the refinancing because the debt service payments for the larger amount of new bonds is lower than the debt service payments for the original bonds.

Supporting Documentation Included: Requesting Resolution
Facilitator/Presenter: Debra Austin

A RESOLUTION REQUESTING THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA TO ISSUE REVENUE BONDS ON BEHALF OF THE UNIVERSITY OF CENTRAL FLORIDA TO REFINANCE ALL OR A PORTION OF CERTAIN OUTSTANDING HOUSING REVENUE BONDS OF THE UNIVERSITY OF CENTRAL FLORIDA AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by the Board of Governors:

Section 1. The Board of Governors (the "Board") hereby authorizes and requests the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue bonds in an amount not exceeding \$50,000,000 (the "Bonds") for the purpose of refinancing all or a portion of the outstanding State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 1996 and Series 1999 (the "Refunded Bonds"), if it is deemed by the Division to be in the best financial interest of the State. Proceeds of the Bonds may also be used to pay the costs of issuance of such Bonds, to provide for a municipal bond insurance policy, and to fund a reserve account or provide debt service reserve insurance, if necessary. The Bonds are to be secured by the revenues of the housing system at the University of Central Florida (the "University"), and may additionally be secured by other revenues that are determined to be necessary and legally available. The Division shall determine the amount of the Bonds to be issued and the date, terms, maturities, and other features of a fiscal or technical nature necessary for the issuance of the Bonds and for the refunding of the Refunded Bonds.

Section 2. Authority is further granted for the issuance of bonds for the purpose of refunding all or a portion of any bonds

secured by the revenues described in Section 1 hereof, if it is deemed by the Division to be in the best financial interest of the State. The limitation on the amount authorized for the Bonds in Section 1 above shall not apply to such refunding bonds. Other terms of this resolution shall apply to any such refunding bonds as appropriate.

Section 3. The Board will comply, and will require the University to comply, with all requirements of bond counsel and the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the Board prior to the issuance of the Bonds and advice and directions in implementing such certificate.

Section 4. The Board will comply, and will require the University to comply, with all other requirements of the Division with respect to compliance with federal arbitrage law, pursuant to Section 215.64(11), Florida Statutes, including the payment of fees to the Division in connection therewith.

Section 5. The Board will comply, and will require the University to comply, with all requirements of federal law, state law, or the Division, relating to continuing secondary market disclosure of information regarding the Bonds, the University, and the operation of the University's housing system, including the collection of the revenues therefrom. Such requirements currently provide for the continuing disclosure of information relating to the Bonds, the University, and the operation of the University's housing system, including the collection of the revenues therefrom, on an annual basis and upon the occurrence of certain material events.

Section 6. As provided in Section 215.65, Florida Statutes, the fees charged by the Division and all expenses incurred by the Division in connection with the issuance of the Bonds (except for periodic arbitrage compliance fees, if any, which shall be paid from other legally available funds) shall be paid and reimbursed to the Division from the proceeds of the sale of such Bonds. If for any reason (other than a reason based on factors completely within the control of the Division) the Bonds herein requested to be authorized are not sold and issued, the Board agrees and consents that such fees, charges and expenses incurred by the Division shall, at the request of the Division, be reimbursed to the Division by the Board from any legally available funds of the Board.

Section 7. The Division is hereby requested to take all actions required to issue the Bonds.

Section 8. If determined by the Division to be in the best interest of the State, the Board or the University may cause to be purchased a debt service reserve credit facility and/or municipal bond insurance policy issued by a reputable and recognized provider.

Section 9. The Chair; the Vice Chair; the Commissioner of Education and the Deputy Commissioner, Finance and Operations of the Department of Education (or his/her successor by whatever title); and other authorized representatives of the Board are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action as they may deem necessary or desirable, in connection with the execution and delivery of the Bonds and to obtain a debt service reserve credit facility and a municipal bond insurance policy. Any

action taken pursuant to this Section 9 shall be valid if such action is taken by at least one person authorized to take such action.

Section 10. This Resolution shall take effect immediately upon its adoption.

Adopted this 15th day of September, 2005.

