

BOARD OF GOVERNORS

August 7, 2003

SUBJECT: A Resolution of the Board of Governors Authorizing the Issuance of Not to Exceed \$32,500,000 Florida State University Financial Assistance, Inc. Refunding Revenue Bonds to Refund Certain Outstanding Obligations.

UNIVERSITY AFFECTED: Florida State University

PROPOSED BOARD ACTION

Adopt a resolution authorizing the issuance of revenue bonds in an amount not to exceed \$32,500,000 to refund the outstanding balance of the \$52,750,000 Florida State University Financial Assistance, Inc. Educational, Including Athletic, Facilities Improvement Revenue and Refunding Bonds, Series 1994.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

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

BACKGROUND INFORMATION

Florida State University Financial Assistance, Inc. has submitted a proposal to issue variable and/or fixed rate subordinated revenue refunding bonds, in an amount not to exceed \$32,500,000 to refund the outstanding balance of \$29,450,000 of Florida State University Financial Assistance, Inc. Educational, Including Athletic, Facilities Improvement Revenue and Refunding Bonds, Series 1994. The original fixed rate bonds were issued as senior lien bonds in the aggregate principal amount of \$52,750,000 to finance the cost of the University Center Project. Due to restrictions and requirements of the letter of credit provider for the Series 1994 Bonds, the Series 2002 and Series 2003A Bonds were issued on a subordinated basis. Upon the accomplishment of the proposed refunding of the remaining Series 1994 Bonds, the outstanding debt will have a parity lien on the pledged revenues. The authority to refund the outstanding debt will be utilized only if market conditions are favorable.

Florida State University Financial Assistance, Inc. approved the issuance of the Refunding Bonds at the February 19, 2003 meeting, and the Florida State University Board of Trustees approved the item at the June 13, 2003 meeting.

Supporting Documentation Included: Requesting Resolution

Facilitators/Presenters: Raymond Monteleone

RESOLUTION OF THE BOARD OF GOVERNORS OF THE STATE OF FLORIDA APPROVING THE REFUNDING OF THE OUTSTANDING BALANCE OF THE EDUCATIONAL, INCLUDING ATHLETIC, FACILITIES IMPROVEMENT REVENUE AND REFUNDING BONDS, SERIES 1994 (THE "1994 BONDS"), BY FSU FINANCIAL ASSISTANCE, INC. ("FSU FA"), A UNIVERSITY DIRECT SUPPORT ORGANIZATION; APPROVING THE ISSUANCE BY FSU FA OF THE EDUCATIONAL, INCLUDING ATHLETIC, FACILITIES IMPROVEMENT SUBORDINATED REVENUE REFUNDING BONDS, SERIES 2003B (THE "2003B BONDS") IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$32,500,000 FOR SUCH PURPOSE; AND PROVIDING AN EFFECTIVE DATE.

The duly acting and appointed Board of Governors (the "Board of Governors") of the State of Florida (the "State") at a meeting duly held pursuant to notice and a quorum being present, do hereby make the following resolutions:

BE IT RESOLVED:

1. **Findings.** The Board of Governors hereby finds as follows:

(A) The voters of the State of Florida passed Amendment 11, Article IX, Section 7 of the Florida Constitution thereby creating the Board of Governors.

(B) On January 7, 2003, the Florida Statutes that created and governed the Florida Board of Education (the "Florida Board") were repealed. Also on January 7, 2003, two new entities were created. The State Board of Education (the "State Board") was reconstituted with new members by the Florida Statutes and the Board of Governors was created pursuant to an amendment to the Florida Constitution. The Florida Statutes (which were drafted prior to the constitutional amendment creating the Board of Governors) vested all control of the public educational system of the State of Florida, K-20, in the State Board. However, the constitutional amendment effectively removes control of the University System of the State of Florida (the "University System") from the State Board by creating a new body, the Board of Governors, and vesting it with the power to administer the University System.

(C) FSU Financial Assistance, Inc., a Florida not for profit corporation ("FSU FA"), was created for the purpose of providing direct support to Florida State University (the "University") and is certified by the Florida State University Board of Trustees (the "University Board") as a "University Direct Support Organization" as defined in Florida Statutes, Section 1004.28.

(D) The former Board of Regents of the State of Florida approved the acquisition, construction and equipping of additions to the University Center Project on

the campus of Florida State University (the "Project") and refunding of the 1994 Bonds (as defined below) and the issuance of Educational, Including Athletic, Facilities Improvement Revenue Bonds, in one or more series, by FSU FA by Resolution adopted May 24, 2001.

(E) FSU FA issued its Educational, Including Athletic, Facilities Improvement Revenue and Refunding Bonds, Series 1994, in the aggregate principal amount of \$52,750,000 (the "1994 Bonds") to complete the University Center Project, and to refund the Educational, Including Athletic, Facilities Improvement Revenue Bonds, Series 1991-A, in the aggregate principal amount of \$14,020,000 (the "1991 Bonds") and the Educational, Including Athletic, Facilities Improvement Revenue Bonds, Series 1992-A, in the aggregate principal amount of \$23,480,000 (the "1992 Bonds"), the proceeds of which financed the cost of the University Center Project.

(F) FSU FA issued its Educational, Including Athletic, Facilities Improvement Revenue and Refunding Bonds, Series 2003A, in the aggregate principal amount of \$14,145,000 (the "2003A Bonds") to refund the outstanding principal amount of the 1994 Bonds which were eligible for advance refunding (the "Advance Refunding Portion").

(G) FSU FA desires to issue its Educational, Including Athletic, Facilities Improvement Revenue and Refunding Bonds, Series 2003B, in the aggregate principal amount of \$32,500,000 (the "2003B Bonds") to refund the outstanding principal amount of 1994 Bonds, which are eligible for optional redemption on and after April 1, 2004 (the "Current Refunding Portion").

(H) The Board of Governors declares that the refunding of the 1994 Bonds will serve a public purpose.

2. Approval of the 2003B Bonds. The Board of Governors hereby approves the issuance of the 2003B Bonds by FSU FA, acting for and on behalf of the University and the University Board for the purposes described herein, in an amount not to exceed \$32,500,000, said 2003B Bonds to have a final maturity not to exceed thirty (30) years from the date thereof and at an interest rate or rates acceptable to FSU FA. This approval is subject to the understanding that the 2003B Bonds do not create an obligation, direct or contingent, on the part of the University, the University Board, the Board of Governors, the State of Florida, or any political subdivisions, department or agency thereof, to pay any part of the principal or purchase price of premium, if any, or interest on the 2003B Bonds, or to levy ad valorem taxation or any other form of taxation to repay the same, but rather such 2003B Bonds shall be payable solely from the Gross Revenues pledged therefore and the 2003B Bonds shall be used exclusively to refund the 1994 Bonds and certain related costs.

3. Repealing Clause. All resolutions of the Board of Governors, or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

4. Authorization of Further Actions Consistent Herewith. The members of the Board of Governors, attorneys, engineers or other agents or employees of the Board of Governors are hereby authorized and directed to do all acts and things required of them by this Resolution and the financing documents, or desirable or consistent with the requirements thereof, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the 2003B Bonds, the financing documents, and this Resolution including, if necessary, execution of such documents, certificates, contracts, legal opinions and other material delivered in connection with the issuance of the 2003B Bonds or as necessary to preserve the tax-exemption thereon, in such form and content as shall the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

5. Effective Date. This Resolution shall become effective immediately upon passage.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the issuance of the 2003B Bonds by FSU Financial Assistance, Inc. is a true and accurate copy as adopted by the Board of Governors on _____, 2003.

**BOARD OF GOVERNORS
OF THE STATE OF FLORIDA**

By: _____
Corporate Secretary