

RESOLUTION OF THE BOARD OF GOVERNORS OF THE STATE OF FLORIDA APPROVING FINANCING OF THE ACQUISITION AND CONSTRUCTION OF CERTAIN STUDENT RESIDENCE FACILITIES ON THE TAMPA CAMPUS OF THE UNIVERSITY OF SOUTH FLORIDA (THE "UNIVERSITY"), BY THE UNIVERSITY OF SOUTH FLORIDA FOUNDATION, INC. (THE "FOUNDATION"), A UNIVERSITY DIRECT SUPPORT ORGANIZATION; APPROVING THE ISSUANCE BY THE FOUNDATION OF CERTIFICATES OF PARTICIPATION, IN AN AMOUNT NOT TO EXCEED \$36,000,000 FOR SUCH PURPOSE; APPROVING FORMS OF A MASTER GROUND LEASE AGREEMENT AND A MASTER OPERATING LEASE; AUTHORIZING THE CHAIR, VICE CHAIR AND STAFF TO TAKE FURTHER ACTIONS CONSISTENT WITH THE RESOLUTION; 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:

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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7, 2003, the Florida Statutes that created and governed the Florida Board of Education (the "Florida Board") were repealed.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.

Deleted: On January 7, 2003 the Florida Board of Education was statutorily dissolved and its responsibilities were assumed by the State Board of Education (the "State Board") as to management of grades K-12 of the school system of the State of Florida and the Board of Governors as to the management of the University System of the State of Florida (the "University System")...

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(C) The Legislature of the State has approved the Project (as hereinafter defined) in the General Appropriations Act and Summary Statement of Intent for Fiscal Year 2002-2003.

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Chapter 2002-394, Laws of Florida.

(D) The University of South Florida Foundation, Inc., a Florida not for profit corporation (the "Foundation"), was created for the purpose of providing direct support to the University of South Florida (the "University") and is certified by The University of South Florida Board of Trustees (the "University Board") as a "University Direct Support Organization" as defined in Florida Statutes, Section 1004.28.

(E) The Board of Regents of the State of Florida approved the acquisition and construction of certain student residence facilities (the "Phase II Improvements"). The initial portion of the Phase II Improvements provided for the construction of a new 230-bed suite and apartment style student residence facility (Andros Corners Community) and a new 344-bed duplex style student residence facility for members of special purpose student organizations (Special Purpose Housing) (collectively, the "Phase IIA Improvements"). The second portion of the Phase II Improvements consists of the renovation of an existing 295-bed dormitory style student residence facility (Beta Hall)(the "Phase IIB Improvements").

(F) The Foundation desires to finance: (i) the Phase IIB Improvements and (ii) the acquisition and construction of a new improvement to the Housing System consisting of a 602-bed suite and apartment and suite style student residence facility (Maple II) (the "Phase III Improvements" together with the Phase IIB Improvements collectively referred to as the "Project").

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(G) The Foundation proposes to issue certificates for the Project in an aggregate principal amount not to exceed \$36,000,000, and designated "Certificates of Participation, Series 2003" (the "Series 2003 Certificates"). The Series 2003 Certificates and all obligations to the credit facility provider for the Series 2003 Certificates shall be payable solely from and secured by a pledge of the net revenues of the Housing System of the University (the "Housing System Revenues") on a parity with (i) the University of South Florida Revenue Bonds of 1983, \$23,100,000 Certificates of Participation, Series 1999, \$24,045,000 Certificates of Participation, Series 2000, and \$22,655,000 Certificates of Participation, Series 2002 (the "Parity Obligations"), and (ii) the obligations to each credit facility provider for the Parity Obligations, and subordinate to the University of South Florida Dormitory, Dining and Auxiliary Enterprises Revenue Certificates of 1965 and the University of South Florida Housing Facility Revenue Bonds, Series 1996A. The proceeds of the Series 2003 Certificates will be used to finance the cost of: (i) the Project, (ii) capitalized interest, and (iii) certain costs of issuance of the Series 2003 Certificates.

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(H) In order to provide for the repayment of the Series 2003 Certificates, it may be necessary for the Board of Governors to authorize the amendment of the Master Ground Lease Agreement, dated as of January 1, 1999, as heretofore amended and supplemented (collectively, the "Original Master Ground Lease"), to include the Project as an addition to all prior improvements to the Housing System and to provide for the construction of the Project on certain land located on the main campus of the University and subleased to the Foundation by the Board of Governors and the University Board, as their interests may appear, as provided in a Second Amendatory Master Ground Lease Agreement, dated as of March 1, 2003, between the Board of Governors and the University Board, as their interests may appear, acting for and on behalf of the

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University, as lessor, and the Foundation, as lessee and attached hereto as Exhibit "A" (the "Second Amendatory Master Ground Lease Agreement" and, together with the Original Master Ground Lease, are collectively referred to herein as the "Master Ground Lease").

(I) The Board of Governors declares that the construction of the Project will serve a public purpose.

2. Approval of the Project. The Board of Governors hereby approves construction of the Project by the Foundation. Title to the underlying property shall remain with the Board of Trustees of the Internal Improvement Trust Fund and title to the Project shall vest in the State of Florida in accordance with the Master Ground Lease. The Project shall be used exclusively by the University in accordance with the Master Operating Lease.

3. Authorization, Execution and Delivery of Master Ground Lease Agreement. In order to provide for issuance of the Series 2003 Certificates to finance the Project, the Board of Governors is hereby authorized to execute and deliver the Master Ground Lease Agreement whereby certain land set aside and located on the main campus of the University will be subleased to the Foundation for the acquisition and construction of the Project thereon. The Master Ground Lease Agreement, in substantially the form attached hereto as Exhibit "A," with such changes, alterations and corrections as may be approved by the Chair or Vice Chair of the Board of Governors, such approval to be conclusively evidenced by the execution thereof by either the Chair or Vice Chair, is hereby approved by the Board of Governors, and the Board of Governors hereby authorizes and directs said Chair or Vice Chair to execute, and the Secretary of the Board of Governors to attest under the seal of the Board of Governors, the Master Ground Lease Agreement, all of the provisions of which, when executed and delivered by the Board of Governors as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein.

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4. Approval of Series 2003 Certificates. The Board of Governors hereby approves issuance of the Series 2003 Certificates by the Foundation, acting for and on behalf of the University and the University Board, for the purposes described herein, in an amount not to exceed \$36,000,000, said Series 2003 Certificates to have a final maturity not to exceed thirty (30) years from the date thereof and at an interest rate or rates acceptable to the Foundation. This approval is subject to the understanding that the Series 2003 Certificates do not create any obligation, direct or contingent, on the part of the University, the University Board, the Board of Governors, the State of Florida, or any political subdivision, department or agency thereof, to pay any part of the principal or purchase price of, premium, if any, or interest on the Series 2003 Certificates, or to levy ad valorem taxation or any other form of taxation to repay the same, but rather such Series 2003 Certificates shall be payable solely from the Gross Revenues pledged therefor and the Series 2003 Certificates shall be used exclusively to finance the cost of the Project and certain related costs.

5. 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.

6. 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 Series 2003 Certificates, the Financing Documents, and this resolution including execution of such documents, certificates, contracts and legal opinions and other material delivered in connection with construction, sale, or leasing of the Project for use by the University, the issuance of the Series 2003 Certificates 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.

7. 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 Series 2003 Certificates by the University of South Florida Foundation, Inc. is a true and accurate copy as adopted by the Board of Governors on March 3, 2003.

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

By: _____
Corporate Secretary

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