

A RESOLUTION AUTHORIZING THE REFINANCING OF OUTSTANDING CAPITAL IMPROVEMENT BONDS, SERIES 2007, BY THE UNIVERSITY OF CENTRAL FLORIDA FINANCE CORPORATION, A UNIVERSITY DIRECT SUPPORT ORGANIZATION, IN AN AMOUNT NOT TO EXCEED \$64,000,000; AND PROVIDING AN EFFECTIVE DATE.

The duly acting and appointed Board of Governors of the State of Florida 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) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of debt by a direct support organization pursuant to Section 1010.62(3), Florida Statutes.

(B) The University of Central Florida Finance Corporation (the "Corporation") was incorporated by the University of Central Florida Board of Trustees (the "University Board") to provide direct support to the University of Central Florida (the "University") and designated as a "University Direct Support Organization" by the University Board pursuant to Section 1004.28, Florida Statutes.

(C) The University Board has requested approval from the Board of Governors for the Corporation to issue debt, in an amount not to exceed \$64,000,000 (the "Debt") for the purposes of refinancing the outstanding 2007 Capital Improvement Revenue Bonds (the "Outstanding Bonds") and paying a swap termination fee relating to the Outstanding Bonds (collectively, the "Financing Plan").

(D) Upon consideration of the Financing Plan, the Board of Governors further finds that the issuance of the Debt is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board of

Governors' Debt Management Guidelines.

(E) The Board of Governors declares that the Financing Plan will serve a public purpose by refinancing the Outstanding Bonds at a lower interest rate for the next seven to ten years subject to the understanding that at the end of the reset period, a new interest rate will be determined, which could be higher or lower, with no guarantee of overall interest rate savings as a result of the refinancing. The refunding of the 2007 Bonds is in the best interest of the University because termination of the swap agreement will eliminate the requirement to maintain the existing letter of credit facility. The cost of the letter of credit facility has risen from 24 basis points to 175 basis points, and there is no cap on the fee associated with the letter of credit facility.

2. Approval of the Financing Plan. The Financing Plan is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University.

3. Approval of the Debt. The Board of Governors hereby approves issuance of the Debt by the Finance Corporation for the purposes described herein, in an amount not to exceed \$64,000,000. The refunding will be financed with a bank loan between the Corporation and a bank. The maturity on the proposed loan will not be extended beyond the term of the outstanding debt. The Financing Plan will be structured as a 20 year amortizing loan, with an interest rate reset or put option after seven or ten years. The proceeds of the Loan will be used to: (i) refinance the existing bonds, (ii) pay the swap termination fee and (iii) pay any cost associated with issuing the Debt. The Debt will be secured by a lien of the indirect overhead cost portion of the University contract and grants revenues and may additionally be secured by other revenues that are determined to be necessary and legally available. The Debt will be privately placed.

4. Compliance. The University Board will comply, and will require the University and the Finance Corporation to comply, with the following:

(A) All federal tax law requirements upon advice of bond counsel or the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the University Board prior to the issuance of the Debt.

(B) All covenants and other legal requirements relating to the Debt.

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, 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 or desirable or consistent with the requirements hereof, to assure the full, punctual and complete performance of all the terms, covenants and agreements contained in the Debt and this resolution; including execution of such documents, certificates, contracts and legal opinions and other material delivered in connection with the financing of the Financing Plan for use by the University, the issuance of the Debt or as necessary to preserve the exemption from the taxation of interest on any of the Debt which are tax-exempt, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

7. Effective Date. This resolution shall become effective August 31, 2017.

Adopted this 31st day of August, 2017

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 Debt by the Financing Corporation is a true and accurate copy as adopted by the Board of Governors on August 31, 2017, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

**BOARD OF GOVERNORS OF THE
STATE UNIVERSITY SYSTEM OF
FLORIDA**

Dated: _____, 2017

By: _____
Corporate Secretary