

**BOARD OF TRUSTEES
RESOLUTION**

NUMBER: R11-85

A RESOLUTION AUTHORIZING THE ISSUANCE OF AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF BONDS IN AN AMOUNT NOT TO EXCEED \$15,000,000 TO FINANCE THE ACQUISITION, RENOVATION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS TO CERTAIN ATHLETIC FACILITIES ON THE CAMPUS OF THE UNIVERSITY OF FLORIDA AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF TRUSTEES *(all capitalized terms not otherwise defined herein will be as defined in the Amended and Restated Trust Indenture, dated as of January 1, 2011, between the DSO (as defined herein) and TD Bank, National Association (the "Indenture")):*

Section 1. The University of Florida Board of Trustees (the "Board of Trustees") hereby authorizes the issuance of bonds in an amount not to exceed FIFTEEN MILLION DOLLARS (\$15,000,000) (the "Bonds") by the University Athletic Association, Inc. (the "DSO") on behalf of the Board of Trustees, such authorization conditioned upon the DSO authorizing issuance of the Bonds, and requests the State University System of Florida Board of Governors (the "Board of Governors") to approve the issuance of the Bonds for the purpose of financing or reimbursing (i) the construction, renovation and equipping of certain capital improvements to certain athletic facilities, including particularly, one or more of the projects described on Schedule A hereto, all on the campus of the University of Florida (the "University") (collectively, the "Project") and (ii) paying certain costs relating to the Bonds. The Board of Trustees hereby affirms the existence and the purposes of the DSO.

Section 2. The improvements are reflected on the approved master plan for the University and are consistent with the mission of the University because they will provide additional and renovated facilities for use by the students and employees of the University.

Construction of the Project will begin approximately December, 2011 and is expected to be completed in Calendar year 2013. Proceeds of the Bonds are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project was obtained pursuant to the 2011-12 General Appropriations Act prior to the issuance of the Bonds. No proceeds of the Bonds will be used to finance operating expenses of the University or the DSO.

Section 3. The Bonds will be general unsecured obligations of the DSO payable from available revenues of the DSO, including but not limited to, ticket sales, conference revenues, auxiliary sales, sponsorships and such other revenues that may be used, pursuant to section 1010.62, Florida Statutes to pay and secure debt (with the exception of the Athletic Fees described in Section 1009.24(12), Florida Statutes). The Bonds are expected to be issued on a parity and with the same benefit and security of the Indenture as all other Bonds issued thereunder, and no Athletic Fees, as described in Section 1009.24(12), Florida Statutes, will be pledged for payment of the debt service on the Bonds. The Bonds may be secured by a Credit Facility that will be chosen through a competitive selection process analyzing the cost of the Credit Facility and the expected interest cost savings resulting from its use. The DSO is legally authorized to pay the Bonds with the available revenues of the DSO pursuant to section 1010.62, Florida Statutes. The University is committed to ensuring that sufficient revenues will be generated to fulfill the obligations with respect to the Bonds.

Section 4. The Bonds will mature not more than twenty (20) years after issuance, including any extensions or renewals thereof. The Project has an estimated average useful life of 26.70 years, which is beyond the anticipated final maturity of the Bonds. The Bonds will bear interest in a fixed or variable rate mode as determined by the DSO. The DSO has the requisite technical expertise to determine the initial interest rate mode for the Bonds that will be in the best interest of the DSO as the market would dictate at the time of issuance. The interest rate mode for the Bonds will be managed in accordance with the DSO's debt management policies as set forth in tabs l and n of Appendix A hereto. The DSO has the requisite technical expertise to properly manage the risks and the execution of the Bonds in any interest rate mode through its staff, including the Director of Athletics, the Controller and the University's Vice President, Business Affairs in his capacity as treasurer of the DSO.

Section 5. The University's Vice President, Business Affairs in his capacity as treasurer of the DSO, shall be responsible for monitoring the variable interest rates paid on the Bonds, if any, and if necessary, establishing a variable rate debt service budget for the Bonds and preparing the annual reports on variable rate debt required pursuant to the Debt Management Guidelines adopted by the Board of Governors on September 16, 2010, as may be amended by the Board of Governors (the "Debt Management Guidelines").

Section 6. It is expected that the Bonds will be sold pursuant to a negotiated sale. A negotiated sale is necessary because of prevailing market conditions, because delays caused by soliciting competitive bids could adversely affect the ability to issue and deliver the Bonds at presently favorable interest rates, and because the nature of the security for the Bonds and the sources of payment of debt service on the Bonds requires the participation of an underwriter in structuring the Bonds. An analysis showing that a negotiated sale is desirable is attached in

Appendix A. Any selection of underwriters or financial advisors will be accomplished through a competitive selection process.

Section 7. The Board of Trustees will comply, and shall require the University and the DSO to comply, with all requirements of federal and state law relating to the Bonds, including but not limited to, laws relating to maintaining any exemption from taxation of interest payments on the Bonds and continuing secondary market disclosure of information regarding the Bonds.

Section 8. The Board of Trustees and the DSO shall comply with the Debt Management Guidelines and the debt management policy of the University in connection with the issuance of the Bonds.

Section 9. The President of the University, any officer of the DSO and other authorized representatives of the University and the DSO are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Bonds.

Section 10. In making the determination to finance the Project, the Board of Trustees has reviewed additional information relevant to such determination. Such information is attached hereto as Appendix A.

Section 11. This resolution shall take effect immediately upon its adoption, subject to approval of the Project by the Board of Directors of the DSO and conditioned upon the DSO providing evidence satisfactory to the Board of Governors that it has obtained a release of any priority rights on the Stadium Net Revenues (as defined in the Credit and Purchase Agreement, dated as of January 1, 2011, between the DSO and SunTrust Bank).

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of The University of Florida Board of Trustees, does hereby certify that the attached resolution is a true and accurate copy as adopted by The University of Florida Board of Trustees on June 10, 2011.

**THE UNIVERSITY OF FLORIDA
BOARD OF TRUSTEES**

Dated: June 20, 2011

By: 
Corporate Secretary

Appendix A

The following documents have been reviewed by the staff of the Board of Directors of the DSO prior to the execution of these Resolutions:

- Tab a. the project programs and descriptions, feasibility study, or consultant report;
- Tab b. a schedule for the projects and bond proceeds;
- Tab c. sources and uses of funds for the project;
- Tab d. an estimated debt service schedule;
- Tab e. consolidated debt service schedules for any outstanding debt with a lien on the pledged revenues;
- Tab f. a schedule showing estimated compliance with any additional bonds requirement set forth in the documents governing the outstanding debt;
- Tab g. a description of the security supporting repayment and the lien position the debt will have on that security and copies of the applicable provisions of the documents relating to outstanding debt;
- Tab h. a description of the parity provisions and copies of the Indenture and copies of the applicable provisions of the documents relating to parity debt security supporting repayment and the lien position the debt will have on that security;
- Tab i. copies of financial statements;
- Tab j. a five year history, if available, and a five year projection, of the pledged revenues and the debt service coverage;
- Tab k. University Master Plan;
- Tab l. for variable rate debt: (1) the expected reduction in total borrowing costs;(2) a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate , and a plan for hedging interest rate exposure; (3) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points; (4) the total amount of variable rate debt including the proposed debt as a percentage of the total amount of University and the DSO debt outstanding; and (5) a swap management plan if interest rate risks are to be mitigated by the use of derivatives;
- Tab m. legislative approval;
- Tab n. debt management policy;
- Tab o. selection of professional advisors;

Tab p. variable rate debt report; and

Tab q. any negotiated sale analysis.

Schedule A

<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Construction Start Date</u>	<u>Estimated Completion Date</u>	<u>Estimated Date Bond Proceeds Required</u>	<u>Useful Life</u>
Renovation of Softball Batting Cages/Locker Rooms	\$700,000	May 2012	September 2012	May 2012	20 Years
Renovation of West Concourse Ben Hill Griffin Stadium	\$5,400,000	December 2011 or December 2012	September 2012 or September 2013	December 2011	30 Years
Renovation of O'Connell Center 1st Floor	\$1,350,000	May 2012	September 2012	May 2012	30 Years
Covered Tennis Courts	\$1,300,000	May 2012	September 2012	May 2012	30 Years
Creation of Scoreboard Control Room and Renovation of Baseball/Softball Scoreboards	\$2,100,000	May 2012	September 2012	May 2012	10 Years
Renovation of O'Connell Center Gymnastics Studio	\$4,000,000	May 2012	January 2013	May 2012	30 Years