

BOARD OF TRUSTEES RESOLUTION

Number: R07-35

**Subject: Approving Issuance of Bonds In A Principal Amount Not
To Exceed \$23,000,000**

Date: March 30, 2007

A RESOLUTION AUTHORIZING THE ISSUANCE OF, AND REQUESTING THE BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF BONDS, IN AN AMOUNT NOT TO EXCEED \$23,000,000 TO FINANCE THE CONSTRUCTION OF A NEW MULTI-LEVEL PARKING GARAGE ON THE CAMPUS OF THE UNIVERSITY OF FLORIDA; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE UNIVERSITY OF FLORIDA BOARD OF TRUSTEES:

Section 1. The Board of Trustees of the University of Florida (the "University") hereby authorizes the issuance of debt by the University and requests the Florida Board of Governors (the "Board of Governors") to approve the issuance of such debt and requests the Board of Governors to request the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue bonds in an amount not to exceed \$23,000,000 (the "Bonds") for the purpose of financing the construction of a multi-level parking garage and parking offices (the "Project") on the campus of the University.

Section 2. The Project will consist of approximately 900 parking spaces contained in a multi-level parking garage and is designed to be part of the parking system program at the University. The Project is reflected on the approved 2005-2015 Campus Master Plan for the University and is consistent with the mission of the University because it will provide necessary parking accommodations for faculty, students and staff. The Project is consistent with the University's strategic plan. Construction of the Project is expected to begin in March of 2008 and to be completed by December of 2008. Proceeds of the Bonds will be needed prior to March of 2008, however, to finance planning and design costs associated with the Project, which are expected to be incurred beginning September 2007. Proceeds of the Bonds are anticipated to be sufficient to complete the construction of the Project without the use of additional funds; however funds of the University may be used if the University Vice President for Finance and Administration determines it is in the University's best financial interest to use such funds. Because the project satisfies the four criteria set forth in Section 1010.62(7)(a), Florida Statutes (2006), Legislative approval is deemed to have been obtained. No proceeds of the Bonds will be used to finance operating expenses of the University.

Section 3. The Bonds are to be secured by the Parking System Revenues, on parity with the University's outstanding Parking Facilities Revenue Bonds, after deducting therefrom the Administrative Expenses,

the Current Expenses and the Rebate Amount, if any (the “Net Parking System Revenues”). The Parking System Revenues include all fees, rentals or other charges and income received by the University from students, faculty members and others using or being served by or having the right to use, or having the right to be served by, the parking system of the University, and all parts thereof, except fines collected by the Student Traffic Court and the transportation access fee. The Administrative Expenses include fees or charges of the State Board of Administration of Florida and the Division. Current Expenses include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated shares of charges for insurance and all other expenses of the University incident to the operation of the parking system of the University, but excludes depreciation, all general administrative expenses of the University, the expenses of operation of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into any parking system maintenance and equipment reserve fund. The Rebate Amount, if any, is the excess investment earnings which may be required to be paid to the federal government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended. The Bonds will be secured by a first lien on the Net Parking System Revenues. The Bonds may also be secured by such other revenues as may be designated by the Board of Trustees and approved by the Board of Governors from time to time. The University is legally

authorized to secure the Bonds with the revenues to be pledged pursuant to section 1010.62, Florida Statutes (2006). The University is also committed to ensuring that sufficient revenues will be generated to fulfill the University's obligations with respect to the Parking System Revenues to ensure timely payment of the Bonds, including increasing the rates of the fees and charges that make up the Parking System Revenues, from time to time and as scheduled in the projected Debt Service Coverage Table attached hereto as Exhibit A.

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 useful life of forty (40) years, which is beyond the anticipated final maturity of the Bonds. The Bonds will bear interest at a fixed interest rate not to exceed 7.5% per annum. The amount of Bonds authorized herein includes an amount sufficient to fund a debt service reserve for the Bonds. Repayment of the principal of the Bonds is expected to begin within twenty-four (24) months of the issuance of the Bonds pursuant to the schedule attached hereto as Exhibit B.

Section 5. The Bonds will be sold through a competitive sale. Any bond insurance or other credit enhancement will be chosen through a competitive selection process analyzing the cost of the insurance or credit enhancement and the expected interest cost savings resulting from their use.

Section 6. The University will comply with all requirements of federal and state law relating to the Bonds, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Bonds and continuing secondary market disclosure of information regarding the Bonds.

Section 7. The University will comply with all covenants, requirements and provisions of that certain Resolution of the Governing Board of the Division, dated June 8, 1993, as supplemented, authorizing the issuance of University of Florida Parking Facility Revenue Bonds attached hereto as Exhibit C.

Section 8. The University President, the University Vice President for Finance and Administration and other authorized representatives of the University and the Board of Trustees, 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. Without limiting the generality of the foregoing, the University President and the University Vice President for Finance and Administration are authorized to execute an official intent with respect to any original expenditures that will be reimbursed by proceeds of the Bonds; such official intent shall be valid if executed by any one of such authorized persons.

Section 9. In making the determination to finance the Project, the Board of Trustees has reviewed additional information, if any, attached hereto as Exhibit D and finds that the issuance of the Bonds is in compliance with the Board of Governor's Debt Management Guidelines, the University's debt management policy, and applicable law.

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

Adopted this 30th day of March, 2007