FAU
BOARD OF TRUSTEES
Florida Atlantic University

Item: VI.b.

Wednesday, November 18, 2009

SUBJECT: Issuance of Debt to Finance the Construction of Certain Student Housing Facilities on the Boca Raton Campus of Florida Atlantic University; Approval of The FAU Finance Corporation Bylaws; Reimbursement of Expenditures Related to Capital Projects

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PROPOSED BOARD ACTION

1. Approve the bylaws of The FAU Finance Corporation (the "DSO").

2. Adopt a Board of Trustees resolution (i) authorizing the DSO to issue debt in an amount not to exceed $140,000,000 (the "Debt") for the purpose of financing the construction of certain student housing facilities and related facilities (the "Project") on the Boca Raton campus of Florida Atlantic University and (ii) requesting the Florida Board of Governors ("BOG") to approve the issuance of the Debt for such purpose.

3. Adopt a resolution of the Board of Trustees to declare its intent to be reimbursed for expenditures related to the Project.

BACKGROUND INFORMATION

Florida Atlantic University does not have adequate housing on its Boca Raton campus to meet the demand for space by resident students. Currently, FAU enrolls approximately 20,535 students exclusively on the Boca Raton Campus. Projections call for an increase of over 1,000 students on the Boca Raton Campus within the next five years. The immediate need is to house approximately 1,200 of the total full-time, traditionally aged (18-21) undergraduate and graduate student population.

On July 22, 2009, concurrent with its approval of a Pre-Development Agreement with Crocker Partners, LLC, this Board unanimously approved a resolution approving the formation of a not-for-profit corporation to finance and operate University facilities. In accordance with that resolution, the articles of incorporation for the DSO were filed with the State of Florida, and the bylaws for the DSO were subsequently approved by the DSO. The bylaws are now being submitted to this Board for approval. Additionally, on August 19, 2009, the Board of Trustees adopted a resolution certifying and establishing the DSO as a University Direct Support Organization.

With the approval of this Board and the approval of the BOG, the DSO intends to issue debt in an amount not to exceed $140,000,000 (the "Debt") for the purpose of financing the Project on the Boca Raton campus of Florida Atlantic University. The Project is reflected on the approved master plan for the University and is consistent with the mission of the University because it will provide needed student housing facilities to address the shortage of housing described above. Construction of the Project is expected to begin in February of 2010 and to be completed by August of 2011. Proceeds of the Debt are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to section 1010.62(7)(a), Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

The Debt is to be secured by a lien on the net revenues of the Project and surplus operating revenues of the existing student housing facilities located on the Boca Raton campus to be leased by the University to the DSO, subject to the University's prior claim on such revenues to pay its obligations on its outstanding housing revenue bonds. The University is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes. The Debt will mature not more than 30 years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 40 years, which is beyond the anticipated final maturity of the Debt. The Debt will bear interest at a fixed interest rate.

The Debt, which consists of Student Housing Revenue Bonds (the "Bonds") to be issued by the DSO, will be sold through a negotiated sale. A negotiated sale is necessary due to the complexity of the proposed financing, which includes the structuring of two series of subordinate bonds that shall be sold through private placements. The underwriter was selected as part of a competition process in summer 2008. Additionally, the University wishes to have additional flexibility in the structuring of cost effective financing alternatives, which may include the issuance of taxable Build America Bonds. A portion of the Bonds may be issued as Build America Bonds thus bearing a taxable interest rate. The issuance of the Build America Bonds on a taxable basis is in the best interest of the University because the DSO will receive a 35% subsidy from the United States Treasury offsetting the interest cost of the Bonds.

The University expects to incur capital expenditures aggregating approximately $4,700,000 for the Project prior to the issuance of the Bonds, which funds will be provided on an interim basis from existing cash resources of the University. The University intends to be reimbursed for such expenditures from the proceeds of the debt issued in connection with the Project.

IMPLEMENTATION PLAN/DATE

The bylaws have been approved by the DSO and will be effective immediately upon approval by this Board. The DSO has also approved the issuance of the Debt. The Debt, however, will only be issued if approved by the BOG, and only upon the approval by each of the DSO and the University Board of Trustees of additional operative documents for the Project, including a

development agreement for the new housing facilities and a management agreement for all existing University housing facilities on the Boca Raton Campus.

FISCAL IMPLICATIONS

Issuance of the Debt by the DSO will not impose any direct financial requirements upon the University. Debt proceeds will be used to reimburse the University for capital expenditures incurred up to $4,700,000. The Debt is to be secured by a lien on the net revenues of the Project and surplus operating revenues of the existing student housing facilities located on the Boca Raton campus to be leased by the University to the DSO, subject to the University's prior claim on such revenues to pay its obligations on its outstanding housing revenue bonds. Tax-exempt debt of approximately $140,000,000 will be issued by the DSO, with an annual debt service payment of approximately $8,910,712.

Supporting Documentation: Proposed Resolutions; By-laws of The FAU Finance Corporation

Presented by: David L. Kian, General Counsel Phone: 561-297-3007

FAU
BOARD OF TRUSTEES
Florida Atlantic University

Florida Atlantic University Board of Trustees Resolution

Wednesday, November 18, 2009

A Resolution To Declare Intent To Be Reimbursed For Expenditures Related To Certain Capital Projects

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WHEREAS, the Florida Atlantic University Board of Trustees (the "University") expects to incur capital expenditures aggregating approximately $4,700,000 for a student housing project and related infrastructure (the "Project"); and

WHEREAS, funds for the Project will be provided on an interim basis from existing cash resources of the University (the "Temporary Advances"); and

WHEREAS, pursuant to the budgetary and financial policies and practices of the University, the Temporary Advances are not available to fund the Project on a long-term basis; and

WHEREAS, it is reasonably expected that the Project will be financed on a long-term basis with tax-exempt or taxable debt; and

WHEREAS, except for architectural, engineering and similar preliminary expenditures, this Resolution is being adopted prior to or within 60 days after payment of the capital expenditure to be reimbursed; and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The University hereby declares official intent for the purposes of Section 1.150-2 of the Treasury Regulations, as follows: it is reasonably expected that (a) Temporary Advances for the Project will be reimbursed, in whole or in part, from the proceeds of debt to be incurred in connection with the Project; (b) the principal amount of such debt will not exceed $140,000,000.00 in aggregate for the Project (which amount includes the capital expenditures paid for with the Temporary Advances, plus an allowance for reserve funds, financing costs and original issue discount); (c) the debt for the Project will be incurred within 18 months following the later of (i) the date the capital expenditure to be reimbursed was paid, or (ii) the date on which the Project is placed in service, but no later than three years after the date of such capital expenditure for the Project; and (d) the authorization and terms of the debt shall be subject to corporate approval in accordance with the bylaws and policies of the University.

This Resolution shall become effective immediately upon passage.

CERTIFICATE OF THE CORPORATE SECRETARY

The Undersigned, Corporate Secretary of the Florida Atlantic University Board of Trustees, does hereby certify that the attached resolution is a true and accurate copy as adopted by the Florida Atlantic University Board of Trustees on November 18, 2009.

THE FLORIDA ATLANTIC UNIVERSITY
BOARD OF TRUSTEES

Dated: _____

By: _____
Corporate Secretary

A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF SUCH DEBT TO FINANCE THE CONSTRUCTION OF CERTAIN STUDENT HOUSING FACILITIES ON THE CAMPUS OF FLORIDA ATLANTIC UNIVERSITY, PROVIDING AN EFFECTIVE DATE.

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

Section 1. The Board of Trustees of Florida Atlantic University (the "Board of Trustees") as the governing body of Florida Atlantic University (the "University") hereby authorizes the issuance of debt by The FAU Finance Corporation (the "DSO") and requests the Florida Board of Governors (the "Board of Governors") to approve the issuance of debt in an amount not to exceed $140,000,000 (the "Debt") for the purpose of financing the construction of certain student housing and related facilities (the "Project") to be located on the Boca Raton campus of the University.

Section 2. The Project will consist of the construction of a 1,218-bed student housing facility comprised of two buildings located on the campus of Florida Atlantic University (the "University") in Boca Raton, Florida. The seven-story Building I will contain 148 apartments in a four bedroom/two bath configuration along with 7 one bedroom/one bath RA units and 2 three bedroom/two bath manager apartments. The eight-story Building II will contain 90 apartments in a four bedroom/two bath configuration and 120 apartments in a two bedroom/two bath configuration. In addition, Building II will house 7 one bedroom/one bath RA units and 2 three bedroom/two bath manager apartments. Both buildings have an approximate square footage of 504,000 square feet including the common area. The Project is reflected on the approved master plan for the University and is consistent with the mission of the University because it will provide needed student housing facilities. Construction of the Project is expected to begin in February of 2010 and to be completed by August of 2011. Proceeds of the Debt are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to section 1010.62 (7)(a), Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

Section 3. The Debt is to be secured by a lien on the net revenues of the Project and surplus operating revenues of the existing student housing facilities located on the Boca Raton campus to be leased by the University to the DSO subject to the University's prior claim on such revenues to pay its obligations on its outstanding housing revenue bonds. The University is legally authorized to secure the Debt with

the revenues to be pledged pursuant to section 1010.62, Florida Statutes.

Section 4. The Debt will mature not more than 30 years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 40 years, which is beyond the anticipated final maturity of the Debt. The Debt will bear interest at a fixed interest rate.

Section 5. The Debt which consists of Student Housing Revenue Bonds (the "Bonds") to be issued by the DSO will be sold through negotiated sale. A negotiated sale is necessary due to the complexity of the proposed financing, which includes the structuring of two series of subordinate bonds that shall be sold through private placements. Additionally, the University wishes to have additional flexibility in the structuring of cost effective financing alternatives, which may include the issuance of taxable Build America Bonds. The underwriter was selected as part of a competition process in summer 2008. An analysis showing that a negotiated sale is desirable is attached in Appendix A.

Section 6. A portion of the Bonds may be issued as Build America Bonds thus bearing a taxable interest rate. The issuance of the Build America Bonds on a taxable basis is in the best interest of the University because the DSO will receive a 35% subsidy from the United States Treasury offsetting the interest cost of the Bonds.

Section 7. The Board of Trustees will comply, and will require the University and the DSO to comply, with all requirements of federal and state law relating to the Debt, including, but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Bonds issued as tax exempt obligations, laws relating to maintaining the qualification for the Build America Bond subsidy payments and continuing secondary market disclosure of information regarding the Bonds

Section 8. The President and Senior Vice President for Finance & Administration of the University and the Chair of the DSO and other authorized representatives of the University, and the Board of Trustees, 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 Debt.

Section 9. In making the determination to finance the Project, the Board of Trustees has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the 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 _____ day of ____, 2009.

Appendix A

The following documents have been reviewed by the Board of Trustees prior to the execution of this Resolution:

a. the project program, feasibility study, or consultant report;

b. a draw schedule for the project;

c. sources and uses of funds for the project;

d. an estimated debt service schedule;

f. a description of the security supporting repayment and the lien position the debt will have on that security;

g. a five year history, if available, and a five year projection, of the pledged revenues and the debt service coverage; and

h. any negotiated sale analysis.

BYLAWS

OF

THE FAU FINANCE CORPORATION

Effective November 18, 2009

BYLAWS
OF
FAU FINANCE CORPORATION

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BYLAWS
OF
FAU FINANCE CORPORATION

ARTICLE I
NAME

The name of the Corporation shall be "FAU Finance Corporation", a Florida not for profit corporation (the "Corporation"). The Corporation shall maintain a registered office in the State of Florida and a registered agent at such office.

ARTICLE II
MEMBERS

The members of the Corporation shall consist of the members of the Corporation's Board of Directors (the "Board of Directors").

ARTICLE III
BOARD OF DIRECTORS

SECTION 3.1. General Powers. The business, property, affairs and funds of the Corporation shall be managed, supervised and controlled by a Board of Directors subject only to applicable law and the limitations contained in the Articles of Incorporation of the Corporation (the "Articles of Incorporation") and these Bylaws and the powers and duties reserved to the Board of Trustees (the "Board of Trustees") of The Florida Atlantic University (the "University") and the President of the University or the President's designee in regards to the Corporation. The Board of Directors shall have the authority to adopt policy for the Corporation, consistent with the Articles of Incorporation and these Bylaws.

SECTION 3.2. Reserved Powers. The President of the University or the President's designee shall have the following specific powers and duties with regard to this Corporation:

(a) To monitor and control the use of the University's resources by this Corporation;

(b) To control the use of the University name by this Corporation;

(c) To monitor compliance of this Corporation with federal and state laws;

(d) To recommend an annual budget of this Corporation to the Board of Trustees;

(e) To review and approve annual expenditure plans of this Corporation; and

(f) To ensure that the Corporation enacts a policy on ethics and conflicts of interest.

SECTION 3.3. Appointment and Election of Directors. The Directors of the Corporation shall be appointed in the following manner:

(a) One appointed Director shall be the President of the University or the president's designee;

(b) One appointed Director shall be the University Chief Financial Officer or his or her designee; and

(c) A minimum of one (1) and maximum of five (5) elected Directors shall be elected by majority vote of the Board of Directors from the nominations of the Corporation's Nominations Committee or from nominations made from the floor. Each elected Director must have demonstrated outstanding qualities of leadership or managerial ability.

The term of office of each Director shall be four years in length. A Director shall not be eligible to serve more than two consecutive terms. A Director who has served two consecutive terms may be re-appointed to the Board of Directors after the expiration of one-year following the end of such Director's last previous term and will have the status of a new Director. Notwithstanding the foregoing, the President of the University or the President's designee acting in the capacity of a Director pursuant to Section 3.3(b) above, shall serve until the earlier of such President's resignation, removal from office or death. A vacancy on the Board of Directors may be filled by a majority vote of the remaining Directors in accordance with the nominations process outlined in Section 3.3(c) of these Bylaws; however, vacancies of appointed Directors shall be filled by the President or Chief Financial Officer, respectively. If a Director is appointed or elected to fill a vacancy before the end of the term of such replaced Director, the newly appointed or elected Director shall serve for the remainder of the term of the replaced Director.

SECTION 3.4. Removal of Directors. A Director may resign at any time by submitting a written resignation to the Chair of the Board of Directors. Any Director, other than the President of the University or the President's designee, may be removed from the Board of Directors at any time with or without cause by a two-thirds vote of the Board of Directors.

SECTION 3.5. Conflict of Interest and Code of Ethics. Directors stand in a fiduciary relationship to the Corporation and the University. Therefore, Directors shall act in good faith, with due regard to the interests of the Corporation and the University, and shall comply with the fiduciary principles and law set forth in the Code of Ethics for Public Officers and Employees, Chapter 112, Part III, Florida Statutes. Directors shall comport themselves in accord with the statutory Code of Ethics and the Conflict of Interest Policy attached to these Bylaws as Appendix "B". Each Director shall annually complete and sign a disclosure form as required by said policy.

SECTION 3.6. Meetings. An annual meeting of the Board of Directors shall be held within the State of Florida. Following proper notice, regular meetings of the Board of Directors may be held, at such time and place as from time to time shall be determined by the Chair of the Board of Directors. Special meetings of the Board of Directors may be called by (a) the Chair of the Board of Directors, or (b) the Secretary of the Corporation, or (c) any two

officers. Written notice of the time and place of such special meetings of the Board of Directors shall be given to each Director as provided by law, along with all materials needed for the meeting. All meetings of the Corporation shall be noticed and open to the public in accordance with the requirements of Section 286.011, Florida Statutes.

SECTION 3.7. Quorum. At all meetings of the Board of Directors, the presence of a majority of the Board of Directors shall be necessary and sufficient to constitute a quorum. A quorum must be present to transact the business of the Corporation at a meeting.

SECTION 3.8. Voting. Each Director shall have one vote. All questions shall be decided by the act of a majority of the Directors present, except as otherwise provided in these Bylaws, the Articles of Incorporation, or Florida law. Proxies, general or special, shall not be accepted for any purpose in the meetings of the Directors or committees.

SECTION 3.9. Executive Session. The Legislature has provided limited exemptions from the Sunshine law for certain meetings because of the confidential material that must be discussed. When the Board decides to avail itself of any such exemption, it will do so by convening an executive session of the Board.

A. Pending Litigation:

Meetings to discuss pending litigation in which the Board is presently a party before a court or administrative agency may be held in executive session outside the Sunshine, provided the following procedures and conditions are met.

1. Counsel for the Board must advise the Board at a public meeting that he or she desires an executive session and must state the basis therefore.

2. Only Board members, the Board's attorney(s) and the President of the University may attend a closed executive session to discuss pending litigation. Staff members or consultants are not permitted to attend. The Board must give advance public notice, pursuant to its procedures, of the time and date of the executive session, and must identify the names of the persons who will be attending the closed session.

3. The session must commence with an open meeting at which the Chairperson or his/her designee shall announce the commencement of the meeting, the estimated length of the closed executive session, and the names of the persons attending. At that point, the meeting is closed to all except those whose names have been announced. The executive session may then commence. At the conclusion of the executive session, the meeting must be reopened to the public and the person chairing the meeting shall announce the termination of the closed executive session.

4. A certified court reporter must record the entire executive session. The reporter must record the times of commencement and termination of the executive session; all discussions and proceedings; the names of all persons present at any time; and the names of all persons speaking. No portion of any executive session may be held off the record. The Board must have the court reporter's notes fully transcribed, and the transcript filed with its records custodian. The transcript is exempt from Florida's public records law, and is not to be disclosed until the litigation concludes. Upon the conclusion of the litigation, the transcript becomes part of the public record.

5. The subject matter of the closed session must be confined to settlement negotiations or strategy sessions related to litigation expenditures. The Board may not go beyond these strict parameters. No final action, no vote, and no decisive action may be taken during the closed session. Any final decision to settle a lawsuit, for a certain amount of money, or under certain conditions, is a decision that must be voted upon in a public meeting.

ARTICLE IV
OFFICERS

SECTION 4.1. Officers. The officers of this Corporation shall be a Chairperson, a Vice Chairperson, a Secretary, a Treasurer and such other officers as may be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by a single person. Only Directors of the Corporation may be elected to the office of Chairperson, Vice Chairperson, Secretary and Treasurer of the Corporation pursuant to this Article IV, from nominations submitted to the Directors by the Nominations Committee or from nominations from the floor. All officers shall have such authority and perform such duties as described below:

(a) Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and shall do and perform such other duties as may be assigned by the Board of Directors. The Chairperson may execute all documents in the name of the Corporation, with the Secretary attesting, including but not limited to all contracts, deeds, notes, certificates and other documents or legal instruments authorized or issued by the Board of Directors.

(b) Vice Chairperson. The Vice Chairperson shall act as Chairperson in the Chairperson's absence or unavailability, and shall do and perform such other duties as may be assigned by the Board of Directors.

(c) Secretary. The Secretary shall keep full and accurate minutes for all meetings of the Board of Directors. The Secretary shall transmit all notices required by the Bylaws of the Corporation, as the same may be amended from time to time. The Secretary may attest to documents with the Chairperson in the name of the Corporation and, when required, shall affix thereto the seal of the Corporation. The Secretary shall have charge of all official records of the Corporation that shall be at all reasonable times open to examination of any Director, and shall

in general perform all duties incident to management of the office of Secretary for the Board of Directors.

(d) Treasurer. The Treasurer shall be a member of the Finance Committee, and must have the requisite financial skills to be designated as a Financial Expert pursuant to the criteria of Sarbanes-Oxley. The Treasurer shall prepare the annual budget and present the financial statements of the Corporation to the Board of Directors at each regular meeting of the Board of Directors and at such other times as the Board of Directors may determine. The Treasurer shall ensure that all financial reports and expenditure plans are filed in a timely manner in accordance with applicable law. The Treasurer shall ascertain that a full and accurate account is made of all monies received and paid out on accounts administered by the Corporation in accordance with guidelines or directives established by the Board of Directors, and shall in general perform all duties incident to management of the office of Treasurer for the Board of Directors, including, but not limited to, the following:

(a) The deposit of all monies, checks, and other credits to the account of the Corporation in such bank or banks or other depositories as the Board may designate; the review of all receipts and vouchers for payment made to and all vouchers and checks made by this Corporation; rendering to the Board an account and statement of all the Treasurer's transactions at each meeting of the Board and at such other times as the Board may determine; preparation of a quarterly expenditure plan to be reviewed and approved quarterly by the President of FAU or his or her designee who shall be a Vice President or other senior officer of FAU reporting directly to the President. The plan shall separately delineate planned actions which result in a commitment of University resources or which represent significant commitment of the resources of the Corporation.

SECTION 4.2. Appointment and Term of Office. The officers of the Corporation shall be elected as necessary by majority vote of the Board of Directors at the annual meeting. Each of the officers shall serve terms of two years, each commencing immediately following their election or appointment.

SECTION 4.3. Removal. Any officer may be removed with or without cause by a two thirds vote of the Board of Directors.

SECTION 4.4. Vacancies. A vacancy in any office because of death, resignation, removal or otherwise may be filled by a vote held at a meeting of the Board of Directors.

ARTICLE V
COMMITTEES

SECTION 5.1. Creation of Committees. The Chairperson of the Board of Directors may appoint such committees as he/she may deem necessary and advisable to assist in the conduct of the Corporation's affairs, each to consist of one or more of the Directors of the Corporation. Such other committees shall have such functions as may lawfully be delegated by

the Board of Directors to the extent provided in the resolution or resolutions creating such committee or committees. The actions of any committee shall be subject to review and approval by the Board of Directors, except when the power to act is specifically granted to a committee by the Board of Directors. Each committee shall keep approved minutes and submit them to the Board of Directors for review.

SECTION 5.2. Nominations Committee. The Board shall appoint a Nominations Committee of three (3) members, whose duty it shall be to nominate candidates to fill vacancies of elected Directors and officers of the Corporation. The Board shall name the Chair of the Committee. The slate of nominations will be submitted to the Board of Directors for consideration at its next ensuing meeting.

SECTION 5.3. Finance and Audit Committee. The Finance and Audit Committee shall be responsible for the preparation and periodic review of the Corporation's financial statements and the annual budget. The budget shall be prepared before the beginning of the University's fiscal year, approved by the Directors and recommended by the University President to the Board of Trustees each year no later than sixty (60) days following the beginning of the Corporation's fiscal year. The Board of Trustees must approve the Corporation's budget before it can be enacted. The Finance and Audit Committee shall cause an audit to be made by an independent certified public accountant of the books of the Corporation as soon as possible after the close of the fiscal year of the Corporation, and to have the results reported to the Board of Directors at its next ensuring meeting. The annual audit report shall be submitted by the University President to the Board of Trustees for review no later than the end of the fourth month following the close of the organization's fiscal year. The annual audit report shall also be submitted to the Auditor General and to the Board of Governors no later than nine (9) months after the close of the Corporation's fiscal year. The audit shall be conducted in accordance with rules promulgated by the Board of Trustees and with the policies adopted by the Auditor General. The Finance and Audit Committee also shall ensure that the financial records of the Corporation are maintained in accordance with generally accepted accounting principles, that consistent and reliable financial practices are followed and that the current financial status of the Corporation is reported to the Board of Directors regularly.

SECTION 5.4. Meetings of Committees. Following proper notice, regular meetings of committees may be held at such time and at such place as shall from time to time be determined by the Board of Directors or the chairperson of the committee, upon proper notice in accordance with the Sunshine law. Meetings of committees may be conducted by conference telephone or similar communications facilities, in the same manner as if the meeting were held in person, if the Chairperson or the Chairperson of the Committee determines it is appropriate and is in full compliance with all requirements of the Sunshine law. The notice of any meeting conducted by means of telephone or similar communication facilities will state where and how members of the public may gain access to the meeting.

SECTION 5.5. Vacancies on Committees. Vacancies on any committees shall be filled by a majority vote of the Board of Directors then in office at any regular or special meeting.

ARTICLE VI
INDEMNIFICATION

The Corporation shall indemnify each Director, officer, employee and agent of the Corporation, and may indemnify any other person, to the full extent permitted by the Florida Not For Profit Corporation Act and other applicable laws. The rights conferred by this Article VI shall not be exclusive of any other right that any Director, officer, employee, agent or other person may have or hereafter acquire under the Florida Not For Profit Corporation Act, any other statute or agreement, pursuant to a vote of disinterested Directors, or otherwise. No repeal or modification of this Article VI shall limit the rights of any Director, officer, employee or agent to indemnification with respect to any action or omission occurring prior to such repeal or modification.

ARTICLE VII
AMENDMENT

SECTION 7.1. Amendments to Bylaws. These Bylaws may be amended by a two-thirds vote of the Board of Directors, and shall be submitted for approval to the University Board of Trustees prior to becoming effective.

SECTION 7.2. Amendments to Articles of Incorporation. The Articles of Incorporation of the Corporation may be altered or amended at any regular or special meeting of the Board by resolution approved by the affirmative vote of two-thirds of the voting Directors present, subject to approval by the Secretary of State of Florida as required by law and subject to any approval which may be required by the Board of Trustees. Written notice of any proposed amendment of the Articles of Incorporation shall be mailed to each Director not less than fifteen (15) days prior to any meeting at which such proposed amendment is to be considered.

SECTION 7.3. Requirements of Florida Law. All amendments to the Bylaws and Articles of Incorporation of the Corporation shall comply with Florida law and appropriate state rules and policies.

ARTICLE VIII
MISCELLANEOUS

SECTION 7.4. Fiscal Year. The fiscal year of the Corporation shall be consistent with the fiscal year of the University.

SECTION 7.5. Records. Public access to the records of the Corporation shall be governed by the provisions of Chapter 1004.28, Florida Statutes.

SECTION 7.6. Checks and Depositories. Except as may otherwise be specified in these Bylaws, the Board shall provide, by Resolution, which officers or Directors or other designees are authorized to draw checks on the accounts of the Corporation and may impose any reasonable terms, conditions or limitation on such authority. Checks or drafts of the Corporation shall be signed by any two of the officers or Directors or other designees, authorized to do so by the Board or by these Bylaws. Funds of the Corporation shall be deposited to the credit of the Corporation only in institutions approved by the Board by resolution and only in financial institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

SECTION 7.7. Seal. The seal of this Corporation shall bear the words "FAU Finance Corporation", as more particularly shown in the following impression:

ARTICLE IX
EMPLOYEES

Any person employed by the Corporation shall not be considered an employee of the State of Florida or an employee of the University by virtue of such employee's employment by the Corporation. The Corporation shall provide equal employment opportunities to all persons regardless of race, color, religion, gender, age or natural origin.

ARTICLE X
PARLIAMENTARY RULES

The most recent edition of "Roberts Rules of Order" shall be followed in conducting the meetings of the Board of Directors, unless otherwise provided in these Bylaws.

ARTICLE XI
DISSOLUTION

In the event the University's Board of Trustees approves a decertification of the Corporation as a direct-support organization of the University, the Directors shall, after paying or providing for all debts and obligations of the Corporation, transfer the assets of the Corporation to the University and take all steps necessary to dissolve the Corporation.

APPROVED BY THE BOARD OF DIRECTORS ON NOVEMBER 13, 2009