FAU
BOARD OF TRUSTEES
Florida Atlantic University

Item: VI.d.

Wednesday, July 22, 2009

SUBJECT: AUTHORIZATION OF A NOT-FOR-PROFIT CORPORATION

PROPOSED BOARD ACTION

Authorize the administration to form a not-for-profit corporation.

BACKGROUND INFORMATION

The administration has presented a Pre-Development Agreement for the development of up to 2400 additional beds in Innovation Village on the Boca Raton campus. A key component of the contemplated financing plan will be a not-for-profit corporation certified by the Board to be a University Direct Support Organization ("DSO"). Pursuant to Florida Board of Governors Debt Management Guidelines, university DSO's may issue debt on behalf of state universities for the construction of university facilities.

Upon the formation of the new not-for-profit corporation, the administration will take the steps necessary to ensure that the entity is operating solely for the benefit of the University. It is anticipated that the Board will then be asked to certify the entity as a DSO. The new DSO will then be part of the financing plan for the Innovation Village housing development, and could support financing and operations for other components of Innovation Village as well.

IMPLEMENTATION PLAN/DATE

The administration will file the documents necessary to form the corporation immediately upon authorization by the Board.

FISCAL IMPLICATIONS

The administration will incur nominal filing and processing costs in association with forming the corporation. The corporation will NOT be authorized to issue debt or take any other actions for the benefit of the University until this Board approves such action.

Supporting Documentation: Proposed Resolution Authorizing Formation

Presented by: David L. Kian, Sr. Vice President and General Counsel Phone: 561-297-3007

FAU
BOARD OF TRUSTEES
Florida Atlantic University

Florida Atlantic University Board of Trustees Resolution

Wednesday, July 22, 2009

A RESOLUTION: A) APPROVING THE FORMATION OF A NOT-FOR-PROFIT CORPORATION TO FINANCE AND OPERATE UNIVERSITY FACILITIES AND B) AUTHORIZING THE PRESIDENT TO TAKE SUCH FURTHER ACTIONS AND TO EXECUTE SUCH DOCUMENTS AS ARE NECESSARY AND APPROPRIATE TO ACHIEVE THE PURPOSES OF THIS RESOLUTION.

WHEREAS, the University Board has determined that it is desirable to expand the student residential and recreational facilities on the Boca Raton campus in order to enhance the recruitment and retention of students and their experience while at FAU; and

WHEREAS, the Florida Board of Governors has authorized not-for-profit corporations operating as Direct Support Organizations to issue debt for the benefit of state universities; and

WHEREAS, the University Board has determined that a Direct Support Organization could be a cost-effective means by which to finance and operate needed residential and recreational facilities; and

WHEREAS, the University Board finds it necessary and desirable to authorize the formation of a not-for-profit corporation that could be operated as such a Direct Support Organization.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The University Board of Trustees hereby authorizes the formation of a not-for-profit corporation to be operated for the sole and exclusive benefit of Florida Atlantic University, which corporation may be certified by subsequent Board action to be a Direct Support Organization of Florida Atlantic University, and which corporation by further subsequent Board action may be authorized to issue debt, manage properties, and take other actions deemed to be in the best interests of the University.

2. The University Board of Trustees hereby authorizes and directs the President and his designees to do all acts and things required of them to achieve the purposes of this resolution, including without limitation execution of such documents, applications, instruments, or contracts in such form and content as the President or authorized officers executing the same deem necessary, desirable, or appropriate.

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 July 22, 2009.

THE FLORIDA ATLANTIC
UNIVERSITY BOARD OF TRUSTEES

Dated: _____

By: _____
Corporate Secretary