PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 13, 2012

This is a Preliminary Official Statement, subject to amendment and completion. These Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This document is "deemed final" by the Issuer as of its date for purposes of, and except for certain omissions permitted by, SEC Rule 15c2-12(b)(1).

New and Refunding Issue - Book-Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2012A Bonds. Selected information is presented on this cover page for the convenience of the reader. ***To make an informed decision, a prospective investor should read this Official Statement in its entirety.*** Unless otherwise indicated, capitalized terms have the meanings given in Appendix A.

$66,320,000*
STATE OF FLORIDA
Board of Governors
University of Central Florida Dormitory Revenue Bonds, Series 2012A

Dated: Date of Delivery　　　　Due: October 1, as shown on the inside front cover

Bond Ratings	____ Fitch Ratings ____ Moody's Investors Service ____ Standard & Poor's Ratings Services
Tax Status	In the opinion of Bond Counsel, interest on the 2012A Bonds will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the 2012A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The 2012A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended. See "TAX MATTERS" herein for a description of other tax consequences to holders of the 2012A Bonds.
Redemption	The 2012A Bonds maturing on or after October 1, 2022, are subject to optional redemption. Certain of the 2012A Bonds may be subject to mandatory redemption, contingent upon the exercise of the Term Bonds option.
Security	The 2012A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the Housing System Revenues, after payment of the Current Expenses, the Administrative Expenses, and, if necessary, the Rebate Amount. **The 2012A Bonds are not secured by the full faith and credit of the State of Florida.**
Lien Priority	The lien of the 2012A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds, anticipated to be outstanding in the aggregate principal amount of $112,805,000* subsequent to the refunding to be accomplished with the proceeds of the 2012A Bonds, and any Additional Parity Bonds hereafter issued.
Additional Parity Bonds	Additional Parity Bonds payable on a parity with the 2012A Bonds and the Outstanding Bonds may be issued if the average Pledged Revenues for the two preceding fiscal years, as adjusted, are at least 120% of the maximum annual debt service. This description of the requirements for the issuance of Additional Parity Bonds is only a summary of the complete requirements. See "SECURITY FOR THE 2012A BONDS - Additional Parity Bonds" herein for more complete information.
Purpose	The proceeds of the 2012A Bonds will be used to pay the cost of 2012A Project, to refund all or a portion of the Outstanding State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000, and to pay costs of issuance.
Interest Payment Dates	April 1 and October 1, commencing October 1, 2012.
Record Dates	March 15 and September 15.
Form/Denomination	The 2012A Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Direct Participants (defined herein) in denominations of $1,000 and integral multiples thereof. Purchasers of the 2012A Bonds will not receive physical delivery of the 2012A Bonds. See "DESCRIPTION OF THE 2012A BONDS."
Closing/Settlement	It is anticipated that the 2012A Bonds will be available for delivery through the facilities of DTC in New York, New York approximately four weeks from the date bids are received.
Bond Registrar/ Paying Agent	U.S. Bank Trust National Association, New York, New York.
Bond Counsel	Bryant Miller Olive P.A., Tallahassee, Florida.
Issuer Contact	Division of Bond Finance, (850) 488-4782, bond@sbafla.com
Maturity Structure	The 2012A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

*Preliminary, subject to change.

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount*	Interest Rate	Price or Yield	First Optional Redemption Date and Price
	October 1, 2013	$920,000			-
	October 1, 2014	1,805,000			-
	October 1, 2015	1,870,000			-
	October 1, 2016	1,950,000			-
	October 1, 2017	2,035,000			-
	October 1, 2018	2,140,000			-
	October 1, 2019	2,255,000			-
	October 1, 2020	2,365,000			-
	October 1, 2021	2,490,000			-
	October 1, 2022**	2,580,000			October 1, 2021 @ 100%
	October 1, 2023**	2,655,000			October 1, 2021 @ 100
	October 1, 2024**	2,735,000			October 1, 2021 @ 100
	October 1, 2025**	2,815,000			October 1, 2021 @ 100
	October 1, 2026**	2,900,000			October 1, 2021 @ 100
	October 1, 2027**	2,995,000			October 1, 2021 @ 100
	October 1, 2028**	3,095,000			October 1, 2021 @ 100
	October 1, 2029**	3,210,000			October 1, 2021 @ 100
	October 1, 2030**	3,325,000			October 1, 2021 @ 100
	October 1, 2031**	1,630,000			October 1, 2021 @ 100
	October 1, 2032**	1,690,000			October 1, 2021 @ 100
	October 1, 2033**	1,760,000			October 1, 2021 @ 100
	October 1, 2034**	1,830,000			October 1, 2021 @ 100
	October 1, 2035**	1,905,000			October 1, 2021 @ 100
	October 1, 2036**	1,980,000			October 1, 2021 @ 100
	October 1, 2037**	2,065,000			October 1, 2021 @ 100
	October 1, 2038**	2,160,000			October 1, 2021 @ 100
	October 1, 2039**	2,270,000			October 1, 2021 @ 100
	October 1, 2040**	2,385,000			October 1, 2021 @ 100
	October 1, 2041**	2,505,000			October 1, 2021 @ 100

BIDS FOR THE 2012A BONDS WILL BE RECEIVED
AS PROVIDED IN THE NOTICE OF BOND SALE

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* Preliminary, subject to change.
** Subject to Term Bonds option, pursuant to which the successful bidder may designate Term Bonds, in which case the amounts will be subject to retirement by mandatory redemption. See “REDEMPTION PROVISIONS - Mandatory Redemption.”

The State of Florida has not authorized any dealer, broker, salesman or other person to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the State of Florida. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 2012A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

STATE OFFICIALS

BOARD OF GOVERNORS

CHAIR
DEAN COLSON

VICE CHAIR
MORTEZA HOSSEINI

GOVERNING BOARD OF THE DIVISION OF BOND FINANCE

GOVERNOR
RICK SCOTT
Chairman

ATTORNEY GENERAL
PAM BONDI
Secretary

CHIEF FINANCIAL OFFICER
JEFF ATWATER
Treasurer

COMMISSIONER OF AGRICULTURE
ADAM H. PUTNAM

J. BEN WATKINS III
Director
Division of Bond Finance

ASHBEL C. WILLIAMS
Executive Director and CIO
State Board of Administration of Florida

BOND COUNSEL
Bryant Miller Olive P.A.
Tallahassee, Florida

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OFFICIAL STATEMENT
Relating to
$66,320,000*
STATE OF FLORIDA
Board of Governors
University of Central Florida Dormitory Revenue Bonds, Series 2012A

For definitions of capitalized terms not defined in the text hereof, see Appendix A.

INTRODUCTION

This Official Statement sets forth information relating to the sale and issuance of the $66,320,000* State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series 2012A, dated the date of delivery (the “2012A Bonds”), by the Division of Bond Finance of the State Board of Administration of Florida (the “Division of Bond Finance”).

The proceeds of the 2012A Bonds will be used to finance the 2012A Project, to refund all or a portion of the Outstanding State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000 (the “Refunded Bonds”), and to pay costs of issuance. The refunding is being effectuated to achieve debt service savings due to lower interest rates. See “THE REFUNDING PROGRAM” herein for more detailed information.

The 2012A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of Housing System Revenues after payment of the Current Expenses, the Administrative Expenses, and, if necessary, the Rebate Amount. The lien of the 2012A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds, including the 1992 Bonds, any unrefunded 2000 Bonds, the 2002 Bonds, the 2007A Bonds and any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds, including the 2012A Bonds, which will remain outstanding subsequent to the refunding to be accomplished with the proceeds of the 2012A Bonds is $112,805,000.* **The 2012A Bonds are not a general obligation or indebtedness of the State of Florida or the University, and the full faith and credit of the State of Florida is not pledged to payment of the 2012A Bonds.**

Requests for additional information may be made to:

Division of Bond Finance
Phone: (850) 488-4782
Fax: (850) 413-1315
E-mail: bond@sbafla.com
Mail: P. O. Box 13300
Tallahassee, Florida 32317-3300

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Any statements made in this Official Statement which involve opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. To make an informed decision, a full review should be made of the entire Official Statement. The descriptions of the 2012A Bonds and the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents. Copies of such documents may be obtained from the Division of Bond Finance.

End of Introduction

*Preliminary, subject to change.

AUTHORITY FOR THE ISSUANCE OF THE 2012A BONDS

General Legal Authority

The 2012A Bonds are being issued by the Division of Bond Finance on behalf of the Board of Governors (the "Board"), pursuant to Article VII, Section 11(d) and Article IX, Section 7(d) of the Florida Constitution, the State Bond Act, Section 1010.62, Florida Statutes, and other applicable provisions of law. Article VII, Section 11(d), of the Florida Constitution provides that revenue bonds payable solely from funds derived directly from sources other than State tax revenues may be issued by the State of Florida or its agencies, without a vote of the electors, to finance or refinance capital projects. Section 215.59(2), Florida Statutes, authorizes the issuance of revenue bonds by the Division of Bond Finance pursuant to Article VII, Section 11(d), of the Florida Constitution. The Legislature has authorized the Division of Bond Finance to issue refunding bonds on behalf of any State agency in Section 215.79, Florida Statutes.

Division of Bond Finance

The Division of Bond Finance, a public body corporate created pursuant to the State Bond Act, is authorized to issue bonds on behalf of the State or its agencies. The Governing Board of the Division of Bond Finance (the "Governing Board") is composed of the Governor, as Chairman, and the Cabinet of the State of Florida, consisting of the Attorney General, as Secretary, the Chief Financial Officer, as Treasurer, and the Commissioner of Agriculture. The Director of the Division of Bond Finance may serve as an assistant secretary of the Governing Board.

State Board of Administration of Florida

The State Board of Administration of Florida (the "Board of Administration") was created under Article IV, Section 4, of the Florida Constitution, as revised in 1968 and subsequently amended, and succeeds to all the power, control and authority of the State Board of Administration established pursuant to Article IX, Section 16, of the Constitution of the State of Florida of 1885. It will continue as a body at least for the life of Article XII, Section 9(c) of the Florida Constitution. The Board of Administration is composed of the Governor, as Chairman, the Attorney General and the Chief Financial Officer. Under the State Bond Act, the Board of Administration determines the fiscal sufficiency of all bonds proposed to be issued by the State of Florida or its agencies. The Board of Administration also acts as the fiscal agent of the Board of Governors in administering the Sinking Fund, the Rebate Fund, and the Reserve Account.

Board of Governors

The Board of Governors is established by Article IX, Section 7 of the Florida Constitution. It is authorized to operate, regulate, control and manage the State University System. The responsibilities of the Board of Governors include defining the mission of each university, ensuring the coordination and operation of the University System and avoiding wasteful duplication of facilities or programs. Article IX, Section 7 provides that the Board of Governors shall establish the powers and duties of the university boards of trustees. See "University Board of Trustees" below. The Board of Governors' management of the University System is subject to the power of the legislature to appropriate funds.

The Board of Governors consists of seventeen members, fourteen of whom are appointed by the Governor to staggered seven-year terms as provided by law, subject to confirmation by the Florida Senate. The Commissioner of Education, the President of the Advisory Council of Faculty Senates, and the Chair of the Florida Student Association are *ex officio* members of the Board of Governors.

The following individuals have been appointed by the Governor to the Board of Governors:

Board Members	Term Expires
Dean Colson, Chair - attorney (Coral Gables, FL)	January 6, 2017
Morteza "Mori" Hosseini, Vice Chair - businessman (Daytona Beach, FL)	January 6, 2017
Richard A. Beard III - businessman (Tampa, FL)	January 6, 2017
Chris Corr - businessman (Jacksonville, FL)	January 6, 2013
Ann W. Duncan - businesswoman (Tarpon Springs, FL)	January 6, 2012*
Patricia Frost - educator (Miami Beach, FL)	January 6, 2017
J. Stanley Marshall - James Madison Institute (Tallahassee, FL)	January 6, 2012*
Frank Martin - businessman (Tallahassee, FL)	January 6, 2012*
Ava L. Parker - attorney (Jacksonville, FL)	January 6, 2012*
Hector "Tico" Perez - attorney (Orlando, FL)	January 6, 2013
John Rood - businessman (Jacksonville, FL)	January 6, 2017
Gus A. Stavros - businessman (St. Petersburg, FL)	January 6, 2013
John W. Temple - businessman (Boca Raton, FL)	January 6, 2013
Norman D. Tripp - attorney (Fort Lauderdale, FL)	January 6, 2013

* A member whose term expired on January 6, 2012 will continue to serve until the Governor appoints a successor.

The following individuals are *ex officio* members of the Board of Governors:

Gerard Robinson - Commissioner of Education (Tallahassee, FL)
Richard A. Yost - President, Advisory Council of Faculty Senates (Jacksonville, FL)
Michael Long - Chair, Florida Student Association (Sarasota, FL)

University Board of Trustees

Article IX, Section 7 of the State Constitution provides for the existence of an appointed board of trustees at each State University. Each board of trustees consists of thirteen members and administers the University. Six members of each board are appointed by the Governor and five members are appointed by the Board of Governors. The appointed members must be confirmed by the Senate. The chair of the faculty senate and the president of the student body are also members of each board. See Appendix H, "The University of Central Florida" for a list of the trustees of the University.

Administrative Approval

By a resolution adopted March 24, 2011, the Board of Governors authorized and requested the Division of Bond Finance to proceed with any actions required for the issuance of the 2012A Bonds.

By a resolution expected to be adopted on January 18, 2012 (the "Seventh Supplemental Resolution"), which will supplement a resolution adopted on July 21, 1992 (the "Original Resolution"), itself amended and supplemented by resolutions dated May 29, 1996 (the "First Supplemental Resolution"), November 26, 2002 (the "Third Supplemental Resolution"), and September 19, 2007 (the "Sixth Supplemental Resolution"), the Governing Board of the Division of Bond Finance will authorize the issuance of the New Money Portion of the 2012A Bonds. The Governing Board of the Division of Bond Finance is also expected to adopt a resolution on January 18, 2012 (the "Eighth Supplemental Resolution") which will amend and supplement the Original Resolution and will authorize the issuance and sale of the Refunding Portion of the 2012A Bonds. The Original Resolution, the First Supplemental Resolution, the Third Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution and the Eighth Supplemental Resolution are reproduced as Appendices B, C, D, E, F and G, to this Official Statement.

The Board of Administration is expected to approve the fiscal sufficiency of the 2012A Bonds, as required by the State Bond Act, on January 18, 2012.

DESCRIPTION OF THE 2012A BONDS

The 2012A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2012A Bonds are payable from the Pledged Revenues as described herein. The 2012A Bonds will be dated the date of delivery and will mature as set forth on the inside front cover. Interest is payable semiannually on April 1 and October 1 of each year, commencing October 1, 2012, until maturity or redemption.

The 2012A Bonds will initially be issued exclusively in “book-entry” form. Ownership of one 2012A Bond for each maturity (as set forth on the inside front cover), each in the aggregate principal amount of such maturity, will be initially registered in the name of “Cede & Co.” as registered owner and nominee for the Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the 2012A Bonds. Individual purchases of the 2012A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2012A Bonds or any certificate representing their beneficial ownership interest in the 2012A Bonds. See Appendix M, “Provisions for Book-Entry Only System or Registered Bonds” for a description of DTC, certain responsibilities of DTC, the Board and the Bond Registrar/Paying Agent, and the provisions for registration and registration of transfer of the 2012A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

Optional Redemption

The 2012A Bonds maturing in the years 2013 through 2021 are not redeemable prior to their stated dates of maturity. The 2012A Bonds maturing in 2022 and thereafter (including any Term Bonds) are redeemable prior to their stated dates of maturity, without premium, at the option of the Division of Bond Finance, (i) in part, by maturities and/or Amortization Installments to be selected by the Division of Bond Finance, and by lot within a maturity and/or Amortization Installment if less than an entire maturity and/or Amortization Installment is to be redeemed, or (ii) as a whole, on October 1, 2021, or on any date thereafter, at the principal amount of the 2012A Bonds so redeemed, together with interest accrued to the date of redemption.

Mandatory Redemption

The 2012A Bonds scheduled to mature in and after 2022 are subject to a special option which permits the successful bidder to specify that all the principal amount of the 2012A Bonds in any two or more consecutive years will, in lieu of maturing in each of such years, be considered to comprise a single maturity of 2012A Bonds (a “Term Bond”) scheduled to mature in the latest of such years and be subject to mandatory redemption from Amortization Installments in the principal amounts set forth on the inside front cover. The successful bidder may exercise the above option one or more times. The final Official Statement will reflect which 2012A Bonds, if any, will be Term Bonds, subject to mandatory redemption by completion of the following paragraph and amortization table for each Term Bond:

> The 2012A Bonds maturing on October 1, 20__ (the “20__ Term Bonds”), are subject to mandatory redemption in part, by lot, on October 1, 20__, and on each October 1 thereafter to and including October 1, 20__, at the principal amount of the 20__ Term Bonds to be redeemed, without premium, plus accrued interest, from Amortization Installments in the years and amounts as follows:

Year	Principal Amount	Year	Principal Amount
	$		$

Notice of Redemption

Notices of redemption of 2012A Bonds or portions thereof will be mailed by first class mail at least 30 days prior to the date of redemption to Registered Owners of record as of 45 days prior to the date of redemption. Such notices of redemption will specify the serial numbers and the principal amount of the 2012A Bonds to be redeemed, if less than all, the date fixed for redemption and the redemption price. In lieu of mailing, the Bond Registrar/Paying Agent may elect to provide such notice of redemption by electronic means to any Registered Owner who has consented to such method of receiving notices.

Failure to give, or any defect in, any required notice of redemption as to any particular 2012A Bonds will not affect the validity of the call for redemption of any 2012A Bonds with respect to which no such failure has occurred. Any notice mailed as provided in the Resolution will be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice.

Interest on the 2012A Bonds called for redemption will cease to accrue upon the redemption date.

PURPOSE OF THE ISSUE

General

The proceeds derived from the sale of the 2012A Bonds will be used to pay the cost of the 2012A Project; to refund all or a portion of Outstanding State of Florida Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000; and to pay costs of issuance of the 2012A Bonds.

The 2012A Project

The 2012A Project consists of the construction of three residential halls (the "Academic Village Expansion"); the construction of one fraternity or sorority house and an administrative center (the "Greek Park Expansion"); and capital improvements to existing facilities on the main campus of the University of Central Florida. The 2012A Project is consistent with the University's Campus Master Plan. The 2012A Project cost is expected to total $44.4 million and will add approximately 665 beds to Academic Village and 40 beds to Greek Park. The capital improvements are projected to total $2,775,000, and include several roof and HVAC replacements, fire alarm upgrades, and wireless Ethernet access to selected residence halls.

Academic Village Expansion. The Academic Village Expansion will be located in the south central section of the campus and consists of two four-story residential halls and one five-story residential hall. The student capacity of the three buildings are 196 beds, 200 beds and 248 beds, respectively, and six one bed/one bath suites designed to meet the needs of students with disabilities, for a combined total of 650 student beds. There will also be 13 resident assistant rooms (one per floor) and a total of two graduate assistant rooms. The majority of the rooms in the three buildings will be four-bed student suites consisting of two double-occupancy rooms, with a shared common area and bathroom. Resident assistants and graduate assistants will be housed in single occupancy efficiency apartments. Each residential floor will have a common meeting room/lounge/kitchen for the occupants of that floor. In addition, each of the facilities will have laundry facilities that will be privately operated and one hall will include space for a privately operated coffee shop. Parking Garage VII, with 1,081 planned spaces, will be built by the UCF Parking Services auxiliary, with proceeds from the sale of bonds tentatively scheduled for the second quarter of calender year 2012, and is planned to be available for the Fall 2013 semester to provide parking for the Academic Village Expansion Project residence halls.

Construction of the Academic Village Expansion will be coordinated by a general contractor, Jack Jennings & Sons, Inc., selected in accordance with the applicable State University System requirements, which includes: public advertisement; review of credentials; references and qualifications; confirmation of bonding capabilities; compliance with minority participation guidelines; and a presentation interview.

The Academic Village Expansion construction budget was developed by Jack Jennings & Sons, Inc. in conjunction with the University Department of Facilities Planning and Construction and was completed in November 2011 at the design development stage of the documents. A project budget of $37,493,000 was prepared including construction costs ($27,810,664), professional fees ($1,885,847), inspection, landscape services and telecommunications ($1,700,409), contingencies ($1,911,497), furniture/equipment ($3,744,218), and permits, surveys, Fire Marshall, insurance, commissioning ($440,365). The Academic Village Expansion will be funded from bond proceeds. A project schedule has been developed with the construction scheduled to commence in April 2012 and be completed in July 2013.

The architect for the Academic Village Expansion is required to carry a $1,000,000 blanket professional liability insurance policy and must provide proof of insurance within 45 days of the contract date. The general contractor will be required to furnish a Payment and Performance Bond and Certificate of Insurance in accordance with the Board of Governors Office of Facilities Planning requirements. The Payment and Performance Bond would provide for liquidated damages per contract if the project were delayed. Oversight of the Academic Village Expansion will be conducted by the architect's project Manager, the architect's engineering consultants, the general contractor and the University's professional construction staff.

Principal participants for construction of the Academic Village Expansion include:

Board of Governors:	Office of Facilities Planning
University of Central Florida:	Department of Facilities Planning
Architect (Design/Build):	Gilchrist, Ross, Crowe Architects
Mechanical/Electrical Engineer:	TLC Engineering for Architecture
Civil Engineer:	Harris Civil Engineers, LLC
Structural Engineer:	Burton Braswell Middlebrooks Associates, Inc.
Landscape Architect:	Dix-Lanthrop Design
General Contractor (Design/Build):	Jack Jennings & Sons

In addition to compliance with all applicable codes and standards, permits are required from the Division of State Fire Marshal. There are no known environmental risks present at the site.

Greek Park Expansion. The Greek Park Expansion will be located in the northwest section of the campus and consists of the construction of one fraternity/sorority house and an administrative center (the "Greek Life Center"). The fraternity/sorority house will contain 40 student beds and common areas consisting of a kitchen and lounge. The Greek Life Center will house administrative offices, housing offices, maintenance support, and common spaces available to students for activities and meetings including residential life programs. In addition, 108 surface parking spaces are included in the project.

Construction of the Greek Park Expansion will be coordinated by a general contractor, Welbro Building Corporation selected in accordance with the applicable State University System requirements, which includes: public advertisement; review of credentials; references and qualifications; confirmation of bonding capabilities; compliance with minority participation guidelines; and a presentation interview.

The Greek Park Expansion construction budget was developed by Welbro Building Corporation in conjunction with the University Department of Facilities Planning and Construction and was completed in November 2011 at the 60% construction document stage. A project budget of $4,148,400 was prepared including construction costs ($3,219,960), professional fees ($357,343), inspection, landscape services and telecommunications ($185,333), contingencies ($188,289), furniture/equipment ($149,899), and permits, Fire Marshall, insurance ($47,576). The Greek Park Expansion will be funded from bond proceeds. A project schedule has been developed with the construction of this project scheduled to commence in April 2012 and be completed in July 2013.

The architect for the Greek Park Expansion is required to carry a $1,000,000 blanket professional liability insurance policy and must provide proof of insurance within 45 days of the contract date. The general contractor will be required to furnish a Payment and Performance Bond and Certificate of Insurance in accordance with the Board of

Governors Office of Facilities Planning requirements. The Payment and Performance Bond would provide for liquidated damages per contract if the project were delayed. Oversight of the Greek Park Expansion will be conducted by the architect's project Manager, the architect's engineering consultants, the general contractor and the University's professional construction staff.

Principal participants for construction of the Greek Park Expansion include:

Board of Governors:	Office of Facilities Planning
University of Central Florida:	Department of Facilities Planning
Architect (Design/Build):	Powell Design Group, Inc
Mechanical/Electrical Engineer:	KLG, LLC
Civil Engineer:	Harris Civil Engineers, LLC
Structural Engineer:	R.L. Plowfield Associates
Landscape Architect:	CPH Engineers
General Contractor Design/Build):	Welbro Building Corporation

In addition to compliance with all applicable codes and standards, permits are required from the Division of State Fire Marshal. There are no known environmental risks present at the site.

Refunding Program

Simultaneously with the delivery of the 2012A Bonds, an agreement will be entered into to provide for the investment and/or holding of the proceeds of the 2012A Bonds, and the Division of Bond Finance will cause a portion of the proceeds of the 2012A Bonds, along with other legally available moneys, to be deposited in the State Treasury investment pool, a fund held and invested by the State Treasurer of Florida, to be invested in other legally authorized investments, or to be held uninvested in cash. The amount initially deposited will be sufficient to make all payments with respect to the Refunded Bonds. It is anticipated that the Refunded Bonds will be economically defeased only; they will not be legally defeased but will remain Outstanding and will continue to be secured by the Pledged Revenues until redeemed.

The Refunded Bonds will be called for redemption, by separate redemption notice, at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date of the Refunded 2000 Bonds. No funds held in escrow will be available to pay debt service on the 2012A Bonds.

Estimated Sources and Uses of Funds

The table below presents estimated sources and uses of funds based on certain assumptions as to interest rates, costs of issuance and the purchase price of the 2012A Bonds, which costs will be determined upon the actual pricing of such Bonds.

Sources of Funds:	
Par Amount of 2012A Bonds	$66,320,000
Available Sinking Fund Moneys	531,865
Plus: Premium Bid	2,902,711
Total Sources	$69,754,576
Uses of Funds:	
Deposit to 2012A Construction Fund	$44,101,298
Deposit of Refunding Proceeds	25,468,594
Cost of Issuance	184,684
Total Uses	$69,754,576

2012A Project Construction Fund

The Resolution provides for the creation of and deposit of the net proceeds of the New Money Portion of the 2012A Bonds into the Project Construction Fund (the "Construction Fund"), a trust fund in the State Treasury to be used only for the payment of the costs of construction of housing improvements on the campus of the University of Central Florida. A separate account (the "2012A Project Construction Fund") is being established for a portion of the 2012A Bonds to pay the costs of the 2012A Project. The Registered Owners of the 2012A Bonds will have a lien on all the proceeds of such Bonds deposited in the 2012A Project Construction Fund until such moneys are applied as provided in the Resolution. See "MISCELLANEOUS - Investment of Funds" below for policies governing the investment of the Construction Fund. Withdrawals from the Construction Fund are made as provided by law.

Funds remaining in the 2012A Project Construction Fund after completion of the 2012A Project shall be either (i) applied to fixed capital outlay projects of the Housing System or (ii) deposited into the Sinking Fund, to be used for the purposes thereof.

SECURITY FOR THE 2012A BONDS

Pledge of Housing System Revenues

The 2012A Bonds and the interest thereon constitute obligations of the Board on behalf of the University and are payable solely from, and secured as to the payment of principal and interest by, a first lien on the Pledged Revenues derived from the operation of the Housing System on a parity with the Outstanding Bonds. It is anticipated that $112,805,000* in principal amount of Bonds, including the 2012A Bonds, will be Outstanding subsequent to the issuance and the refunding to be accomplished with a portion of the proceeds of the 2012A Bonds. As used herein, the term "Bonds" includes the Outstanding Bonds, the 2012A Bonds and any Additional Parity Bonds as defined in the Resolution. The Housing System consists of the University's existing housing facilities at the University's main campus in Orlando and such additional housing facilities as may be added to the Housing System at some future date, all as more fully described in "HOUSING SYSTEM" herein. The Pledged Revenues are the Housing System Revenues remaining after deducting the Current Expenses, the Administrative Expenses, and, if necessary, the Rebate Amount. The Pledged Revenues and the related debt service coverage ratios are set forth below in "HOUSING SYSTEM - Projected Pledged Revenues and Debt Service Coverage."

The 2012A Bonds are "revenue bonds" within the meaning of Article VII, Section 11(d), of the Florida Constitution, and are payable solely from funds derived directly from sources other than State tax revenues. **The 2012A Bonds do not constitute a general obligation or indebtedness of the State of Florida or any of its agencies or political subdivisions and shall not be a debt of the State of Florida or of any agency or political subdivision thereof, the Board or the University, and the full faith and credit of the State is not pledged to the payment of the principal of, premium, if any, or interest on the 2012A Bonds. The issuance of the 2012A Bonds does not, directly or indirectly or contingently, obligate the State of Florida to use State funds, other than the Pledged Revenues, to levy or to pledge any form of taxation whatsoever or to make any appropriation for payment of the principal of, premium, if any, or interest on the 2012A Bonds.**

Reserve Account

There will not be a Debt Service Reserve subaccount funded for the Series 2012A Bonds. However, the Resolution creates the Reserve Account within the Sinking Fund, which is to be used for payments of debt service when the amounts in the Sinking Fund are insufficient therefor. Separate subaccounts in the Reserve Account may be established for one or more Series of Bonds. Each subaccount will be available only to cure deficiencies in the accounts in the Sinking Fund with respect to the Series of Bonds for which it is established. All subaccounts that currently comprise the Reserve Account are funded by Reserve Account Credit Facilities as permitted by the Resolution.

Currently, there are three separate subaccounts in the Reserve Account (1) the "1992 subaccount," which benefits the registered owners of the 1992 Bonds and the 2002 Bonds, (2) the "1996 subaccount," which benefits the registered owners of the 2007A Bonds, and (3) the "Parity subaccount," which currently benefits the registered owners of the 2000 Bonds and the 2007A Bonds. The 1992 subaccount is funded by a reserve account surety bond issued by

* Preliminary, subject to change.

MBIA Insurance Corporation ("MBIA") in the amount of $1,469,485. The 1996 subaccount is funded by a reserve account surety bond issued by Ambac Assurance Corporation ("Ambac") in the amount of $1,289,053.75. The Parity subaccount is funded by reserve account surety bonds issued by Ambac in the amount of $1,992,250 and Financial Guaranty Insurance Company ("FGIC") in the amount of $2,122,127.50. Such subaccounts may also serve as the subaccount for future Additional Parity Bonds.

The Reserve Requirement for the 2012A Bonds has been determined to be zero. No deposit will be made to a subaccount in the Reserve Account from the proceeds of the 2012A Bonds.

See "MISCELLANEOUS - Bond Ratings" below for a discussion of potential and actual rating agency actions with respect to various insurance companies, including MBIA, FGIC and Ambac, currently providing reserve account surety bonds for various series of Outstanding Bonds.

In the event funds on deposit in the Sinking Fund are not sufficient to pay the principal and/or interest next coming due on the Bonds secured by a subaccount in the Reserve Account, then on or before the Interest Payment Date and the Principal Payment Date such amounts as may be necessary to pay such maturing principal and/or interest on the Bonds will be transferred to the Sinking Fund from the Reserve Account. Each reserve account surety bond will be drawn upon in a proportion equal to its relative share of the amounts in the Reserve Account. Any withdrawals from the Reserve Account, including disbursements made under a Reserve Account Credit Facility, will be subsequently restored (or, in the case of a Reserve Account Credit Facility, the provider thereof will be reimbursed) from the first revenues available after all required Current Expenses, Administrative Expenses, and current payments for the Sinking Fund, including any deficiencies for prior payments, have been made in full.

Flow of Funds

Collection of Revenues. Pledged Revenues are to be deposited into a clearing account in an approved bank and transferred to a separate account known as the University of Central Florida Housing Revenue Fund (the "Revenue Fund"), to be administered in accordance with the Resolution and applicable laws. After providing for the payments required below, the Pledged Revenues may, in the sole discretion of the University, be used for: (a) optional redemption or purchase of Bonds; or (b) any lawful purpose of the University.

Application of Pledged Revenues. All revenues on deposit in the Revenue Fund will be applied only in the following manner and order of priority:

(A) Payment of Current Expenses of the Housing System.

(B) Transfer to the Board of Administration no later than 30 days before an Interest Payment Date and/or a principal Payment Date to be used as follows:

(i) for payment of the Administrative Expenses;

(ii) for deposit into the Sinking Fund, an amount sufficient to pay the next installments of principal and interest to become due during the then current fiscal year, including Amortization Installments for any Term Bonds;

(iii) for the maintenance and establishment, together with other moneys available for such purposes, of the Reserve Account, or subaccounts therein, in the Sinking Fund in an amount equal to the Debt Service Reserve Requirement; and

(iv) for deposit to the Rebate Fund, an amount sufficient to pay the Rebate Amount.

(C) Deposit into the Building Maintenance and Equipment Reserve Fund, amounts required by the Resolution.

Covenants of the Board

The Board has additionally covenanted in the Resolution as follows:

(A) That it will punctually pay the Pledged Revenues in the manner and at the times provided in the Resolution and that it will duly and punctually perform and carry out all the covenants of the Board and the duties imposed upon the Board by the Resolution.

(B) That in preparing, approving and adopting any budget controlling or providing for the expenditures of its funds for each budget period it will allocate, allot and approve from the Housing System Revenues and other available funds the amounts sufficient to pay the Pledged Revenues as provided in the Resolution.

(C) That it will from time to time recommend, fix and include in its budgets such revisions in the amounts of rentals, fees, and other charges to be levied upon and collected from each person housed in or using the facilities of the Housing System which will produce sums sufficient to pay, when due, the annual Pledged Revenues under the Resolution.

(D) That it will continue to collect the rentals charged all regularly enrolled students and other tenants in the Housing System.

Additional Parity Bonds

The Resolution provides that additional parity bonds ("Additional Parity Bonds") may be issued, but only upon the following terms, restrictions and conditions: (A) the proceeds from such Additional Parity Bonds will be used to acquire and construct capital additions or improvements to the Housing System or to refund Bonds that are Outstanding; (B) all previously authorized certificates or bonds shall have been issued and delivered, or authority for the issuance and delivery of any unissued authorized bonds shall have been cancelled; (C) the Board must authorize the issuance of such Additional Parity Bonds; (D) the Board of Administration must approve the fiscal sufficiency of such Additional Parity Bonds; (E) certificates will be executed by the Board or other state officials setting forth (1) the average amount of Pledged Revenues from the two fiscal years immediately preceding the issuance of the proposed Additional Parity Bonds, and (2) the maximum annual debt service on Bonds then Outstanding and Additional Parity Bonds then proposed to be issued; (F) the Board must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of the Resolution and the Board must be currently in compliance with the covenants and provisions of the Resolution and any supplemental resolution hereafter adopted for the issuance of Additional Parity Bonds, or upon the issuance of such Additional Parity Bonds the Board will be brought into compliance with all such covenants and provisions; and (G) the average amount of Pledged Revenues for the two immediately preceding fiscal years, as adjusted as provided for in the Resolution, will be at least equal to 120% of the maximum annual debt service on the Bonds then Outstanding, and the Additional Parity Bonds then proposed to be issued. The Resolution provides that for purposes of the Additional Parity Bonds test, Pledged Revenues may be adjusted to reflect actual and projected rate increases, additions to the existing housing facilities or the acquisition of additional housing facilities.

Additional Parity Bonds issued to refund Bonds that are Outstanding shall also comply with the above restrictions, except that refunding bonds with an Annual Debt Service Requirement in each fiscal year that is equal to or lower than the Annual Debt Service Requirement of the Bonds they are refunding do not have to comply with the coverage provisions of the preceding paragraph.

Additional Parity Bonds issued in accordance with the Resolution will be on a parity as to lien on the Pledged Revenues with the Outstanding Bonds and the 2012A Bonds.

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HOUSING SYSTEM
(Source: University of Central Florida)

Introduction

The University of Central Florida (the "University") is a comprehensive, metropolitan university with an enrollment of approximately 58,587 students. The main campus of the University is located in the Orlando suburbs, 13 miles northeast of downtown Orlando. It is located on approximately 1,415 acres in the northeast quadrant of Orange County, Florida. The main campus is composed of 161 permanent buildings that radiate outward from the central academic core and are surrounded by a multitude of recreational facilities. Additionally, the University has regional campuses located in Cocoa, Daytona Beach, Leesburg, Ocala, Palm Bay, Sanford / Lake Mary, South Lake, South Orlando, Valencia Osceola and Valencia West. The University also operates an academic center located in downtown Orlando. Additional information regarding the University is provided in Appendix H.

The University's Housing System is administered by the Department of Housing and Residence Life (the "Department"). Limited on-campus housing is currently available at the University's main campus in Orlando. Approximately 11% of the students enrolled at the University can be accommodated in on-campus housing facilities, with an additional 299 students living in fraternity and sorority-owned housing. The University owns 16* residence halls, 23 apartment buildings, and two Greek houses with a total of 5,764* bed spaces for students on the University's main campus. Additionally, accommodations are provided for 144 student staff members.

Staffing

The Department currently employs between 250 and 300 full-time and part-time staff. The staff is comprised of administrators, clerical help, and student staff. Professional and student staff members are trained to assess the development of students and to facilitate and implement an environment that enhances learning. A central housing administration building is located on campus as well as on-site area offices in each community that support the residence life staff, including area coordinators, graduate assistants, resident assistants, and the residence hall and apartment patrol. Each housing facility has on-site staff responsible for providing support services to the residents and for the operational needs of the Department.

Housing Facilities

The student capacity of the on-campus housing facilities comprising the Housing System is approximately 3,764. The University's first housing project (the "Apollo Community") was opened in the fall of 1968. The Apollo Community has a total capacity of 410 student beds and consists of four residence halls (Volusia, Lake, Osceola and Polk Halls) that are two-story structures with suite style living units. Each suite consists of two double rooms, a common living area and bath, and in some cases an additional single room.

The second housing project was built in 1980 with a capacity of 428 student beds. It consists of three residence halls (Orange, Seminole and Brevard) that are either three or four-story buildings and a commons building. All rooms in this area are suite style with two double rooms sharing one bathroom. These facilities are used for temporary tripling in the fall.

In 1994, the on-campus housing options for students were further diversified by the opening of a student apartment facility, the Lake Claire Courtyard Apartments. This facility, which consists of 15 three-story buildings with a capacity of 682 student beds and a commons building, is designed to meet the needs of single, upper level undergraduate and graduate students. Aside from offering cooking facilities, which the residence halls do not have, each apartment has four single bedrooms, two bathrooms, and a living room.

In 1999, a project consisting of three four-story residence halls (Sumter, Flagler and Citrus) was opened with a capacity of 560 student beds. Sumter and Flagler Halls opened in spring 1999 and Citrus opened in summer 1999. This project was designed to address the continued demand to house lower level undergraduates on campus and offers a suite style plan, configured around a common lounge/study space. All rooms are double occupancy with four students sharing a bathroom.

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*Includes the four residence facilities with a total capacity of 2,000 student beds at the Towers at Golden Knight Plaza which are not part of the Housing System.

Currently, the Academic Village, which was completed in 2002, has a total capacity of 1,600 students and consists of six residence halls (double occupancy suite-style rooms) with a capacity of 904 student beds and eight apartment buildings (single occupancy rooms with shared kitchen and baths) with a capacity of 696 student beds. The Academic Village is adjacent to the recreational fields and the new Recreational and Wellness Center. It also has classroom space, multipurpose/activity rooms, vending areas, laundry rooms, and office space for hall government and housing support staff.

In 2008, the University used cash reserves of the Housing System to purchase and renovate two Greek houses with a total capacity of 84 student beds. The two houses have been occupied and included in the Housing System since the 2009 fall semester.

Outlined below is a description of the residence halls and apartments currently comprising the Housing System. For a description of other housing accommodations available to students, see "Other On-Campus Student Housing" and "Comparison of Housing Rates" herein.

Facility Name	**Year Opened**	**Square Footage**	**Student [1] Capacity**
Volusia Hall	1968	24,456	106
Lake Hall	1968	24,456	106
Osceola Hall	1968	24,456	92
Polk Hall	1968	24,456	106
Brevard Hall	1980	27,926	116
Orange Hall	1980	37,241	154
Seminole Hall	1980	37,241	158
Lake Claire Courtyard Apts. (15 units)	1994	219,780	682
Sumter Hall	1999	59,200	224
Flagler Hall	1999	59,200	224
Citrus Hall	1999	37,100	112
Academic Village Phase I	2001	239,006	800
Academic Village Phase II	2002	239,006	800
Greek Building 409	2009	11,942	39
Greek Building 411	2009	10,647	45
Totals		1,076,113	3,764

[1] Does not include student staff member accommodations.

Capital Improvement Plan

The process for developing capital improvement plans for the Housing System starts with an on-going awareness of demand for housing on the part of the Department staff. When the Department recognizes that demand for on-campus housing exists beyond the University's capacity, that demand is discussed with the President and the appropriate members of the President's staff. The discussions include the extent of the demand, an assessment of the long term nature of the demand, the availability of off-campus housing, the future growth of the University, the financial ramifications of building additional housing, and the impact of additional housing on academic programs, student development, retention rates, alumni development and land utilization on the campus. If the determination is made that additional housing is needed after these discussions occur, a capital improvement plan is developed, and the requisite approval to proceed is sought.

Expansion

The 2012A Project, which is scheduled to be opened for occupancy in August 2013, will add a total of 690 student beds to the Housing System (650 student beds in Academic Village and 40 student beds in Greek Park). In addition, concurrent with the construction of the 2012A Project, the Housing System is constructing a second fraternity/sorority residential facility to be funded with Housing System reserves in the amount of approximately $2.8 million. The facility will contain 40 student beds and common areas consisting of a kitchen, dining room, study, lounge, and formal living room. Construction on the facility is scheduled to begin in April 2012 and be ready for occupancy in August 2013.

The goal of the 2010 Master Plan is to house 80% of first year students and 50% of the retained second year class on campus. Currently, approximately 70% of first year students live on campus. To meet the 2010 Master Plan goal, approximately 1,800 additional student beds are needed on campus. Upon completion of the 2012A Project, on campus housing will be available for approximately 75% of first year students. Potential building sites have been identified in the Master Plan for future expansion of the Housing System to accommodate the additional 1,100 student beds needed to meet the targeted goal. The sites include another parcel within the Academic Village, a parcel along Libra Drive, and at the site designated as Greek Park II on the northwest corner of the main campus. However, at this time, the University has not developed plans to build additional residence halls to meet the 2010 Master Plan goals.

Renovations & Maintenance

Annually, efforts are made to keep the buildings in good repair and as attractive as possible. Regularly scheduled maintenance such as painting, pressure washing, and re-carpeting projects are planned each year. Fire alarm systems are kept up to code. Over the next five years, an average of $420,000 per year will be spent on facility maintenance. These projects will be funded through the Housing System maintenance account.

In addition to the regularly scheduled maintenance projects, the Department has been renovating its oldest facilities. In Fiscal Year 2003-04, $1.28 million was spent upgrading a portion of the older residence halls. Extensive renovations were done at Brevard Hall, including repainting of the building and replacement of the building's HVAC system, showers, vanities and sinks, exhaust fans, lighting, windows and carpet. Other projects included the painting and carpeting of five Lake Claire Courtyard Apartment buildings and painting of the hallways and lounges in Academic Village.

In Fiscal Year 2008-09, the Department completed the renovations of the Apollo Community (Volusia, Lake, Osceola, and Polk Halls) which included replacing the HVAC systems; adding fire sprinkler protection systems; replacement of power distribution/circuitry and hot/cold water supply lines and valves; lighting, bathroom renovations, landscaping, carpet, and paint. Approximately, $7.4 million was spent on renovation of these facilities.

Since Fiscal Year 2008-09, the Department has installed fire protection sprinklers and security cameras in all University-owned facilities. Upcoming projects include regularly scheduled painting, re-carpeting, bathroom renovations, door and lock mortise replacements, and furniture replacement. The projects will be funded through the departmental maintenance account. Major projects to be completed with bond proceeds include replacement of Lake Claire Apartment roofs, replacement of Lake Claire Apartments HVAC systems, installation wireless Ethernet in Academic Village, and replacement the fire alarm systems in Brevard, Orange, and Seminole halls).

Pursuant to the Original Resolution, the University established the Building Maintenance and Equipment Reserve Fund (the "R & R Account") within the University Housing System accounts during Fiscal Year 1992-93. According to the Resolution, this fund is to be used by the University to pay the cost of unusual or extraordinary maintenance or repairs, renewals, and replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary normal expenses of the operation and maintenance of the Housing System. The amount required to be deposited by the University into this fund is determined annually as part of the development of the annual budget of the University. The University typically deposits 3% of annual Housing System operating revenues into this account each year. As of June 30, 2011, the balance of the R&R Account was $3,373,898. In recent years, the University had funded additional improvements and repairs, that would normally be funded from of the R&R Account, out of annual operating revenues in order to preserve the R&R Account for extraordinary repairs.

Insurance on Facilities

All University facilities and the contents thereof are insured under the Florida Fire Insurance Trust Fund as required by Chapter 284, Florida Statutes. The 2012A Project will also be insured in this manner. Prior to acceptance by the University, and throughout the duration of construction, the State University System requires that the general contractor insure the 2012A Project, including materials, equipment, vehicles and personnel.

Housing Needs Assessment

The 2010 Master Plan goal to house 80% of the first time in college class and 50% of the retained second year class was established by Student Development and Enrollment Services. The number of beds needed to meet this goal was determined by identifying the headcount enrollment of first year students and retained second year students on the main campus and subtracting this number from the number of beds available on the main campus (including University owned, Convocation Corporation owned, and privately owned Greek housing). In the fall of 2011, the bed deficit was approximately 1,800, with this need continuing for fall 2012.

The Department of Housing and Residence Life works to actively create reasonable expectations for students seeking University housing. First year students are told that there is very limited nine month housing for their second year. These students receive off campus living information during the second semester of their fall/spring housing agreement. A lottery is conducted for the 450 to 650 beds that are offered to second year/upperclass students. The number of students wanting nine month second year housing has always exceeded the supply. For the fall of 2008, 1,257 applied for 650 spaces offered; for the fall of 2009, 1,126 students applied for 500 spaces offered; for fall of 2010, 865 students applied for 450 spaces offered; and for the fall of 2011, 833 students applied for 500 spaces. First year students who are late applicants and cannot be housed on campus are referred to University affiliated housing. For the fall of 2008, 215 first year students were referred; for the fall of 2009, 434 first year students were referred; for the fall 2010 only 97 first year students were referred before the University's affiliation with off-campus housing was suspended (see "Affiliated University Housing" below); and for the fall of 2011, 215 first year students were referred . Additionally, incoming transfer students cannot apply for nine month housing. Transfer students are limited to applying for the annual Towers housing and/or are referred to University affiliated housing. The net effect of the new housing facility is to increase the number of beds available for first year students. This will free up existing upper-class designed apartment style housing (where first year students are currently residing) for second year students who are currently residing off campus.

The Department of Housing and Residence Life cannot accommodate the housing needs of all students who attend the University. To assist students who cannot be placed in one of the University's housing facilities, the University staffs and funds the Off-Campus Student Services Office to assist students in finding off campus housing. During the 2010-11 academic year, the Department maintained a website which was free for UCF students to use to find off campus housing accommodations and roommates. More than 55,681 visits were made to the site. The site had more than 7,025 registered users. Additionally, many students sought personal assistance directly at the Off-Campus Student Services Office, where printed information is distributed.

Occupancy Statistics

The chart below indicates the occupancy rates as compared to the capacity of University housing facilities for the past five years. The occupancy figures represent the fall occupancy numbers after accounting for individuals who failed to claim their housing reservation.

Occupancy Statistics

Year	Main Campus FTEs [1]	Student Capacity[2]	Student Occupancy	Occupancy as % of Capacity	Temporary Spaces[4]	Demand for Housing[5]	% of FTEs Residing On Campus
2007-08	36,810	3,663	3,696[3]	100.9%	33	N/A	10.0%
2008-09	38,051	3,663	3,636	99.3%	N/A	1,310	9.6%
2009-10	35,309	3,765	3,747	99.5%	N/A	1,060	10.6%
2010-11	35,910	3,769	3,765	99.9%	N/A	512	10.5%
2011-12	37,271	3,769	3,762	99.8%	N/A	548	10.1%

1 Represents the Fall FTE enrollment figures for the University of Central Florida's main campus for Fiscal Years 2007-08 and 2008-09. Reporting of FTE changed from Fall FTE to Annual FTE for Fiscal Years 2009-10, 2010-11, and 2011-12.

2 Represents the number of permanent on-campus student housing beds that are part of the Housing System.

3 The altered capacity was achieved by the tripling of double rooms.

4 Represents students who were placed in temporary triple rooms. These students had requested a double occupancy room but chose to remain on campus in triple rooms.

5 Approximate number of fall applications that were returned to students unprocessed.

Payment and Collection

Students pay a $250 prepayment that is subsequently applied to their first semester's rent. The balance of the room charge for the fall semester is due in early August. Spring and summer semester housing payments are due in full approximately in early December and late April of each year, respectively.

The Department works to assist students who receive financial aid, scholarships, or are having financial difficulty. After the $250 prepayment is paid, students receiving financial aid and scholarships may defer their housing payment until receiving the financial aid or scholarship award. Through the net-check system, the Department automatically receives payment for housing accommodations after tuition is paid from the financial aid or scholarship disbursement.

Approximately 35% of rental revenue received comes from student financial aid. Additionally, approximately 10% to 15% of rental revenue received comes from the Florida Prepaid College Fund.

Students who do not receive financial aid and have difficulty paying by the deadline may set up a payment schedule with an accountant. Unpaid housing rent is placed on the University's student account receivables record and after two years with no account activity, the debt is referred to a collection agency. These students are precluded from registering for a subsequent term and from receiving grades until all outstanding housing charges are paid. Over the past five years, the collection rate for all student housing payments has averaged 99.9% of the fees assessed. The table below shows historical housing collection rates for on-campus housing charges.

Historical Collection Rates

Year	Collection Rate
2006-07	99.9%
2007-08	99.9%
2008-09	99.9%
2009-10	99.9%
2010-11	99.9%

Housing System Rental Rates

Rental rates are reviewed during the spring semester of each year to determine if they will generate sufficient revenue to provide for the operation of the Housing System. If there is a projected deficit, the rental rates will be adjusted accordingly. Once the proposed rental rates are established, the Director of the Department meets with student groups to discuss the proposed rental rates. Upon reaching an agreement, the proposed rental rates are submitted to the University President for review and to University Board of Trustees for final approval.

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The following table shows historical and projected rental rates for the accommodations available to students in the Housing System. Projected rates for Fiscal Years 2011-12 and 2012-13 have been approved by the University's Board of Trustees. In the table below, the projected rental rates after Fiscal Year 2012-13 are estimated to increase 3% annually. However, these projections are for illustration purposes only, and management of the University makes no representation as to whether any rental rate increases will be made in the future. Actual rental rate increases will be based on annual market surveys and needs analyses. The Board has covenanted in the Resolution to recommend, fix and include in its budget rental rates that will produce sufficient revenues to pay amounts due with respect to the Outstanding Bonds and the 2012A Bonds.

Semester Rental Rates Per Student
(Fall and Spring Semesters only)

	Historical					Projected*				
Description	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Double Occupancy										
Lake, Volusia, Osceola, Polk	$2,025	$2,085	$2,160	$2,250	$2,350	$2,420	$2,470	$2,544	$2,620	$2,699
Brevard, Orange, Seminole	2,240	2,300	2,375	2,470	2,575	2,650	2,700	2,781	2,864	2,950
Citrus, Sumter, Flagler	2,240	2,300	2,375	2,470	2,575	2,650	2,700	2,781	2,864	2,950
Academic Village	2,375	2,450	2,525	2,630	2,700	2,780	2,835	2,920	3,007	3,097
Greek	N/A	N/A	N/A	2,470	2,575	2,650	2,700	2,781	2,864	2,950
Single Occupancy										
Lake, Volusia, Osceola, Polk	2,300	2,370	2,445	2,545	2,675	2,755	2,810	2,894	2,981	3,070
Lake Claire Apts.	2,475	2,575	2,650	2,760	2,900	2,985	3,045	3,136	3,230	3,327
Academic Village Apts. (4/2)	2,625	2,700	2,775	2,890	2,940	3,025	3,085	3,177	3,272	3,371
Academic Village Apts. (2/1)	2,850	2,925	3,000	3,120	3,170	3,265	3,330	3,429	3,532	3,638

* Rates provided for Fiscal Years 2011-12 and 2012-13 have been approved by the University's Board of Trustees.

Other On-Campus Student Housing

In addition to the student resident facilities that comprise the Housing System, there are four student resident facilities (the "Towers at Golden Knight Plaza") with a total student resident capacity of approximately 2,000. These facilities are located on the northeast side of the Orlando Campus near the new convocation center. The first phase opened in August 2006, with full opening occurring in Fall 2007. The apartment style beds at the Towers at Golden Knight Plaza offer an annual contract (11.5 months) and serve many special groups at the University including the Honors Program, several athletic teams, and international students. The average annual cost is $9,082 per student.

The Towers at Golden Knight Plaza are not part of the Housing System, and the revenues received from these facilities are not pledged to the Outstanding Bonds or the 2012A Bonds. However, leasing, marketing and student life services for these facilities are provided by the Department, and the University has covenanted that it will give no preference to any facilities within the University's Housing System over the Towers at Golden Knight Plaza. The University has also covenanted that it will consider the occupancy of the Towers at Golden Knight Plaza when planning for future housing projects on the University's main campus. In addition, the University has agreed that prior to adding competing facilities to the Housing System, it will obtain a report from a housing consultant demonstrating sufficient demand for the Towers at Golden Knight Plaza and the facilities to be added to the Housing System. The University has complied with these covenants with respect to the 2012A Project.

Additionally, a 392-bed student apartment facility was opened in Fall 2005 on the Rosen College of Hospitality Management campus located approximately 25 miles southwest of the main campus. This facility is not part of the Housing System; however, the Department provides marketing, leasing, management, and student life services for the facility.

The University expects that the effect of the relationship with these apartments on the occupancy and operation of the Housing System will be negligible, if any.

Comparison of Housing Rates

The University has conducted a survey of comparable off-campus housing facilities. The current off-campus average annual rental rate for a single bedroom in a four bedroom/four bathroom apartment with no phone service is $6,810. Each student signs an individual 12 month lease. These units are typically furnished and include cable TV, internet, water, garbage, sewerage, and a limited allotment for electricity. Phone service is no longer provided in most student apartment facilities near campus. The current average rental rate for an on-campus four bedroom apartment for an academic year (fall and spring) is $6,130 with no additional fees. A full summer term cost is $2,299.

Survey of Off-Campus Rental Rates

Facility	Capacity	Type	Monthly Cost	Annual Cost	Furnished Services	Local Phone	Add'l Fees	Current Occupancy
Boardwalk	480	4BR/4BA	$565	$6,780	Yes	Yes	$135	100%
College Station	304	4BR/4BA	$555	$6,660	Yes	No	$245	100%
Gatherings	384	4BR/4BA	$560	$6,720	Yes	No	$145	100%
The Edge	930	4BR/4BA	$599	$7,188	Yes	No	$299	100%
Pointe at Central	1,224	4BR/2BA	$490	$5,880	Yes	No	$401	99%
Knights Circle	2,533	4BD/4BA	$575	$6,900	Yes	No	$401	79%
Northgate Lakes	710	4BD/4BA	$634	$7,608	Yes	No	$299	100%
Riverwind	440	4BD/4BA	$555	$6,660	Yes	Yes	$135	100%
Crossing Alafaya	896	4BR/3+1/2BA	$490	$5,880	By Request	No	$145	99%
Village at Alafaya Club	840	4BD/4BA	$599	$7,188	Yes	Yes	$299	100%
Village at Science Dr.	732	4BD/4BA	$619	$7,428	Yes	No	$299	100%
The Lofts	730	4BD/4BA	$597	$7,176	Yes	Yes	$350	99%
Sterling	1,526	4BD/4BA	$635	$7,620	Yes	No	$299	99%
University House	896	4 BD/4BA	$670	$8,040	Yes	No	$235	99%

Collegiate Village Inn is the only off campus housing facility that offers academic term leases. This facility provides suite style double occupancy rooms that are similar to double rooms on campus. Collegiate Village Inn is located approximately 1/4 mile from the main entrance of the University. The current rental rate is $6,021 for two semesters which includes seven meals per week (students are required to participate in the meal plan). The comparable average rental rate for a double occupancy room in University owned housing is $5,336 for two semesters.

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There are numerous other apartment facilities located within a ten mile radius of the campus; however, the facilities listed in the above table are the most frequently used by University students and were built to specifically target students of the University. The following is a survey of some of the other apartments located within ten miles of the University. Utilities, furnishings and local phone charges are not included in the rates shown. Seven or twelve-month leases are required at these facilities.

Additional Off-Campus Housing Facilities
(Within Ten Miles of Campus)

Facility	Type of Accommodation	Monthly Cost
Arden Villas	1 BR/1BA	$825
Arden Villas	2 BR/2BA	$950
Alafaya Woods	2BR/2BA	$900
Alafaya Woods	3BR/3BA	$1,100
Elmhurst Village	2BR/2BA	$993
Falcon Pines	2BR/2BA	$875
Heather Glen	1BR/1BA	$646
Preserve at Econ	2BR/2BA	$799
Polos East	2BR/1BR & 2BA	$830
Tivoli Apartments	1/1, 2/2, & 3/3	$1,379
University Walk Apts	2BR/2BA	$680
Valencia Forest	2BR/1BA & 2BA	$889

While the private sector has responded to student demand with attractive housing facilities, the University believes that due to the high quality academic environment offered in on-campus housing and the demand for nine month housing, competition from off-campus facilities should not impact the performance of the Housing System.

Affiliated University Housing

The University affiliated with properties owned by the Capital Projects Finance Authority, ("CAPFA"), a not-for-profit entity, in the fall of 2001. This affiliation was suspended in May 2010 and reinstated in June 2011. The Pointe at Central and Knight's Circle apartment complexes have a combined total of approximately 3,750 beds and encompass 80 acres of land. This transaction donated the land to the University of Central Florida Foundation, Inc. (the "Foundation"). The Foundation provides a ground lease to CAPFA. Property management is provided by Asset Campus Housing ("ACH"). The University manages the student life aspects at Knight's Circle, which is the larger property that is closer to campus. ACH manages the student life at the Pointe at Central. Per the lease, the residents at both properties are subject to the disciplinary code of the University. University sponsored activities take place at both complexes. Of the 3,750 beds in the Pointe at Central and Knight's Circle, approximately 85% are occupied by University students. The remaining 15% are occupied by students attending other schools. Housing at the two complexes will continue to be offered to students of other schools to the extent that it is not needed for University students. When the University's on-campus housing capacity is reached in a given year, or when students do not want to live on campus, students are referred to the Pointe at Central and Knight's Circle properties. On an annual basis, property revenues in excess of expenses for operations and reserves are remitted to the Foundation. At the end of 30 years, the improvements on the properties will be gifted to the Foundation, unless the Foundation exercises an option to acquire the improvements at an earlier date.

The University, through its Department of Housing and Residence Life, anticipates entering into a management agreement with a private developer for construction of an off campus, 600 bed, student housing facility to be located on Lockwood Boulevard across the street from the University's main campus in Orlando. The facility is expected to be open for occupancy for the fall 2013 semester. The facility will be constructed on land owned by Foundation and ground leased to the owner. Under the terms of the management agreement, the University will be responsible for the day to day operations of the facility and implementing a residence life program at the facility. While the terms of the management agreement have not been determined at this time, the University will be paid a management fee in consideration for the services to be rendered as the manager. The costs of operating and maintaining the facility will be a paid from revenues of the facility and will not be the responsibility of the University. Pursuant to a separate marketing agreement, the University will provide marketing services to the owner of the facility and will be paid a separate fee for such services. Costs of the marketing program will be paid from revenues of the facility. The University will not be obligated to expend its own funds for either expenses incurred as the manager under the management agreement or for marketing costs under the marketing agreement.

The University expects that the effect of the affiliation with the CAPFA properties and the management of the privately owned apartments on the operation of the Housing System will be negligible, if any.

Budgetary Information

The budgetary process for the University Housing System follows the guidelines issued by the University Budget Office. These guidelines provide a standardized format setting forth prior fiscal year information by budget categories uniformly for all University departments. Based on a thorough review of the current fiscal year's operation, revisions are made, if necessary, to the projected budget. Various expenditure projections may be modified as updated information is available; however, revenue remains based on the approved rental rate.

Each spring, the proposed Housing System budget for the ensuing Fiscal Year is finalized. The proposed budget is reviewed and approved by the Vice President for Student Development and Enrollment Services prior to forwarding to the Trustees for approval.

Presented below is a comparison of the budgeted versus actual performance of the University of Central Florida Housing System for Fiscal Years 2007-08 through 2010-11 and the budget for Fiscal Year 2011-12. This schedule includes the Housing System operating account, R&R account and interest and sinking fund account. **This information has been prepared by the University for internal management purposes only and has not been audited.**

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UCF Housing System
Comparison of Budget to Actual for Fiscal Years Ended June 2008 through 2011 and Budget for 2012
(Unaudited)
(In Thousands of Dollars)

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010			Fiscal Year 2010-2011			Fiscal Year 2011-2012
Operating Revenue	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget
Residential Units:													
Fall Semester	$8,775	$8,764	($11)	$8,824	$7,560	($1,264)	$9,606	$9,932	$326	$10,146	$10,210	$64	$10,237
Spring Semester	8,563	8,559	(4)	9,043	9,084	41	9,606	9,681	74	10,146	10,133	(13)	10,237
Summer Semester	1,790	1,795	5	1,713	1,556	(157)	1,815	1,791	(24)	1,765	1,835	70	1,926
Conferences (Summer)	520	522	2	550	578	28	700	758	58	750	730	(20)	750
Late Payments	75	88	13	65	68	3	65	41	(24)	30	28	(2)	30
Cancellation Fees	400	407	7	400	309	(91)	400	350	(50)	300	301	1	300
Administrative Revenue	175	176	1	175	157	(18)	180	188	8	250	251	1	250
Miscellaneous	50	49	(1)	50	44	(6)	40	42	2	45	48	3	45
Total Operating Revenue	20,349	20,361	13	20,820	19,358	(1,462)	22,413	22,783	370	23,431	23,536	104	23,776
Total Operations & Maintenance Expenses	14,371	14,386	(15)	14,740	14,869	(129)	15,965	15,102	863	15,626	15,567	59	15,626
Total Net Operating Income	5,978	5,976	(2)	6,080	4,489	(1,591)	6,448	7,681	1,233	7,805	7,968	163	8,150
Non Operating Revenue (Expenses)													
Repairs and Replacements	(4,085)	(2,418)	1,667	(800)	(318)	482	0	0	0	0	0	0	0
Interest on Asset Related Debt	(4,048)	(4,048)	0	(4,146)	(4,146)	0	(3,906)	(3,906)	0	(3,728)	(3,728)	0	(3,728)
Investment Income	400	884	484	400	355	(45)	400	118	(282)	100	524	424	103
Other Non Operating Income (Expenses)	450	437	(13)	600	617	17	(1,200)	(938)	262	(775)	(867)	(92)	(400)
Transfers In/(Out)	2,100	2,135	35	(675)	(676)	(1)	(927)	(966)	(40)	(1,200)	(1,207)	(7)	(1,000)
Total Other Expenses and Transfers	(5,183)	(3,009)	2,173	(4,621)	(4,167)	454	(5,633)	(5,693)	(60)	(5,603)	(5,277)	326	(5,025)
Net Increase (Decrease) in Fund Balance	$795	$2,966	$2,171	$1,459	$322	($1,137)	$815	$1,988	$1,173	$2,202	$2,691	$489	$3,125

[1] Budgeted numbers were prepared on a cash basis. Actual results were prepared using an accrual basis of accounting and in accordance with Generally Accepted Accounting Standards, but are not presented in accordance with Governmental Accounting Standards Board ("GASB") Statements 34 and 35. For planning purposes, there are no material differences between the accrual and cash basis numbers.

The University implements conservative practices for budgeting operating expenditures, along with a number of other factors. As shown above, net operating income was approximately on budget for Fiscal Years 2007-08 and 2010-11. The approximate $2.4 million increase in net fund balance in Fiscal Year 2007-08 was primarily due to repairs and replacement expenses being $1.7 million or 41% less than budgeted, along with investment income exceeding projection by $484,000. Fiscal Year 2009-10 ended the year approximately on budget with the net increase in fund balance $183,000 more than projected.

In Fiscal Year 2008-09, fall semester rental revenues were $1.3 million below budget due to an adjustment of $1.4 million being reclassified as deferred revenue. This adjustment was made for rental revenues received during Fiscal Year 2008-09 for housing contracts commencing fall 2009 (Fiscal Year 2009-10). Operating expenses exceed budget primarily due to one time bonuses and merit pay of $153,000 for employees. Additionally, major repair and replacement projects were completed at $482,000 (60%) below budget and actual interest income received was approximately on budget. As a result, the fund balance decreased by $1.1 million rather than increasing as originally planned.

In Fiscal Year 2009-10, net operating income was approximately $1.2 million more than budgeted. Operating revenues exceeded the projection by $370,000 due primarily to fall 2009 housing rentals exceeding projections due to additional revenue from two Greek houses of $200,000 and higher than projected occupancy rates. Additionally, operating and maintenance expenses were $863,000 less than budgeted, which is attributable to the deferral of some maintenance projects to Fiscal Year 2010-11 that were scheduled for Fiscal Year 2009-10. As a result, the net fund balance increased by approximately $1.2 million.

Preliminary analysis of Fiscal Year 2011-12 actual to budgeted amounts shows operating revenues exceeding projections by approximately $250,000 due primarily to fall 2011 housing rentals exceeding projections due to higher than projected occupancy rates. Operating expenses are currently falling in line with projections.

Selected Historical Financial Information

The following two tables set forth selected historical financial information for the University Housing System for the five Fiscal Years ended June 30, 2011. The financial information for the Housing System was prepared by the University for internal management purposes as an integral part of the University's financial statements but was not independently audited. The Housing System information was prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles. Additionally, these statements incorporate requirements for state and local governments established by the Governmental Accounting Standards Board of the Financial Accounting Foundation with the adoption of Statement No. 34 and 35.

The financial information relating to the Housing System is included in the University's financial statements, which are independently audited by the Auditor General as part of the audit of Florida's Comprehensive Annual Financial Report. However, as stated above, the financial information for the Housing System is not independently audited. The University's Financial Statements for Fiscal Year 2010-11 (which have not yet been audited), and the unaudited Housing System Financial Statements for Fiscal Year 2010-11 are reproduced as Appendix I and Appendix J, respectively.

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Statement of Net Assets
(Unaudited)

	Fiscal Years Ended June 30				
	2007	**2008**	**2009**	**2010**	**2011**
ASSETS					
Current and Cash Equivalents	$20,370	$969,153	$3,466,470	$1,714,485	$1,660,734
Investments	3,832,587	6,206,039	1,556,708	5,227,842	5,029,527
Accounts Receivable, Net	715,184	519,631	360,767	472,560	528,412
Due from Other University Departments	286,430	-	-	-	399,285
Deferred Charges and Other Assets	63,402	57,733	58,040	224,569	1,789,607
Total Current Assets	**4,917,973**	**7,752,557**	**5,441,985**	**7,639,456**	**9,407,565**
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	1,897,656	494,042	2,325,796	1,036,692	838,318
Restricted Investments	6,013,820	3,127,114	1,066,722	1,856,025	2,532,620
Deferred Charges and Other Assets	1,094,235	982,634	924,900	867,168	809,434
Depreciable Capital Assets, Net	72,180,809	73,678,879	75,366,952	73,478,307	70,168,390
Nondepreciable Capital Assets	-	-	-	-	374,380
Total Noncurrent Assets	81,186,520	78,282,669	79,684,370	77,238,192	74,723,142
TOTAL ASSETS	86,104,493	86,035,225	85,126,355	84,877,648	84,130,707
LIABILITIES					
Current Liabilities:					
Accounts Payable	66,696	356,786	30,459	222,669	188,303
Accrued Salaries and Wages Payable	236,699	266,109	284,031	333,866	103,440
Deposits Payable	-	-	-	100,000	100,000
Due to Component Units	-	-	-	334,060	60,000
Due to Other University Departments	1,068,931	875,481	672,359	459,081	330,120
Deferred Revenue	1,669,863	1,249,925	3,005,030	2,936,884	2,996,650
Long-Term Liabilities - Current Portion:					
Capital Improvement Debt Payable	2,356,318	2,550,062	2,665,062	2,785,064	2,985,000
Compensated Absences Payable	22,672	26,417	27,179	38,938	30,921
Total Current Liabilities	5,421,178	5,324,780	6,684,120	7,210,562	6,794,434
Noncurrent Liabilities:					
Capital Improvement Debt Payable	80,469,855	77,534,873	74,869,811	72,084,747	69,099,747
Compensated Absences Payable	355,197	350,972	361,086	447,782	410,811
Other noncurrent liabilities	-	-	64,880	-	-
Total Noncurrent Liabilities	80,825,051	77,885,845	75,295,777	72,532,529	69,510,558
TOTAL LIABILITIES	86,246,229	83,210,625	81,979,897	79,743,091	76,304,992
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	(9,487,727)	(5,365,689)	(1,221,325)	(466,603)	(674,810)
Restricted for Nonexpendable:					
Debt Service	12,247	262,578	3,394,693	2,893,071	2,180
Capital Projects	7,899,050	3,297,245	650	1,363	3,373,899
Unrestricted	1,434,694	4,630,466	972,440	2,706,726	5,124,446
TOTAL NET ASSETS	(141,736)	2,824,600	3,146,458	5,134,557	7,825,715
TOTAL LIABILITIES AND NET ASSETS	$86,104,493	$86,035,225	$85,126,355	$84,877,648	$84,130,707

Statement of Revenues, Expenses and Changes in Net Assets
(Unaudited)

	Fiscal Years Ended June 30				
	2007	**2008**	**2009**	**2010**	**2011**
Operating Revenues					
Housing Room Rentals and Other Charges	$19,623,568	$20,312,724	$19,153,055	$22,553,068	$23,236,985
Other Operating Revenue	51,731	48,748	204,523	229,989	298,776
Total Operating Revenues	19,675,298	20,361,472	19,357,578	22,783,057	23,535,761
Operating Expenses					
Compensation and Benefits	4,804,099	5,708,827	5,797,062	6,166,796	6,329,921
Materials and Services	2,305,680	2,609,403	2,875,342	3,100,125	3,312,258
Utilities	2,382,082	2,523,222	2,714,475	2,194,984	2,204,681
Scholarships & Fellowships	7,985	1,471	1,603	47,037	59,970
Depreciation Expense	3,128,611	3,542,963	3,480,160	3,593,237	3,660,553
Total Operating Expenses	12,628,458	14,385,886	14,868,642	15,102,179	15,567,383
Total Operating Income (Loss)	$7,046,840	$5,975,586	$4,488,936	$7,680,878	$7,968,378
Non-Operating Revenues (Expenses)					
Investment Income	1,019,174	995,928	297,967	117,762	523,834
Unrealized Gains and Losses	142,534	(101,304)	67,642	-	-
Less: Investment Expense	(3,865)	(10,189)	(10,375)	-	-
Net Investment Income	1,157,843	884,435	355,235	117,762	523,834
Other Non-Operating Revenues	970,867	444,669	622,664	268,172	174,910
Gain/(Loss) on Disposal of Capital Assets	(87,663)	(7,244)	(5,259)	(5,933)	(35,264)
Other Non-Operating Expenses	(3,422,038)	(2,418,066)	(318,069)	(1,200,000)	(1,006,234)
Interest on Asset-Related Debt	(4,355,589)	(4,047,569)	(4,146,007)	(3,906,429)	-
Total Non-Operating Revenue (Expenses)	(5,756,579)	(5,143,776)	(3,491,437)	(4,726,428)	(4,070,511)
Income (Loss) Before Contributions	$1,290,262	$831,810	$997,499	$2,954,450	$3,897,867
Contributions and Transfers					
Other Revenues, Expenses, Gains or Losses	-	2,134,526	(675,642)	-	-
Transfers to Other University Departments	(1,593,171)	-	-	(966,351)	(1,206,709)
Transfers from University Departments	198,031	-	-	-	-
Change in Net Assets	($104,879)	$2,966,336	($321,857)	$1,988,099	$2,691,158
Total Net Assets - Beginning	($36,857)	($141,736)	$2,824,600	$3,146,458	$5,134,557
Total Net Assets - Ending	($141,736)	$2,824,600	($3,146,458)	$5,134,557	$7,825,715

Discussion and Analysis of Financial Condition and Results of Operations

Revenues from the operation of the Housing System, after providing for payment of Current Expenses, Administrative Expenses and any Rebate Amounts, are pledged to satisfy the debt service obligations on the Parity Bonds and the 2012A Bonds. See "SECURITY FOR THE 2012A BONDS" herein. Administrative Expenses generally refer to fees and charges due to the Board of Administration and the Division of Bond Finance for administration of the Bonds. These expenses are not generally significant. Current Expenses, however, generally are significant and refer to the operating expenses of the Housing System, but specifically exclude depreciation expenses and administrative overhead charges of the University. See Appendix A, "Definitions."

The operation of the Housing System depends primarily on revenues collected from room rentals. Interest income, conference fees, cancellation fees, and other miscellaneous revenue sources provide additional income to the Housing System. From Fiscal Year 2006-07 to Fiscal Year 2010-11, Housing System operating revenues increased 20%, a compounded average annual growth rate of 4.9%, from $19,675,298 to $23,535,761. The increase in housing revenues was primarily due to annual rental rate increases. However, rental revenues declined in Fiscal Year 2008-09 due to an adjustment in fall revenues to classify $1.4 million as deferred revenues. This was due to payments received during Fiscal Year 2008-09 for housing contracts commencing during Fiscal Year 2009-10 that had a $1.2 million impact on collections for the fall 2008 semester. The level of other operating revenue increased in Fiscal Year 2008-09 due to Administrative Revenues being reclassified to Other Operating Revenue in 2009.

Operating expenses primarily include costs associated with salaries and employee benefits, utilities, daily maintenance functions, supplies, general maintenance and upkeep of the Housing System facilities and depreciation. For purposes of calculating Pledged Revenues, depreciation is specifically excluded, as well as any general administrative overhead charges of the University. Non-operating repairs and replacements expenses has been deemed by the University to actually be operating expenses for purposes of calculating Pledged Revenues. Other non-operating expenses include those necessary for capital improvements to the facilities. Over the past five fiscal years, from 2006-07 to 2010-11, Housing System operating expenses (net of depreciation and after the adjustments discussed above) increased by 25%, a compounded average annual growth rate of 5.9%, from $9,499,847 to $11,906,832. This increase in expenses was primarily a result of increased personnel costs resulting from funding additional departmental staff, increased maintenance and custodial supplies cost, security equipment, wireless Ethernet equipment, and increases in utility costs.

Fiscal Year 2007-08, Housing System operations resulted in the increase in unrestricted investments. During the same fiscal period restricted investments declined primarily due to expenditure for major repairs and replacements. In Fiscal Year 2008-09, the Housing System exercised its rights to purchase two fraternity/sorority residential facilities. Housing System moneys on hand were used to fund the $4.4 million total purchase and renovation costs of the facilities. Consequently, capital assets increased and investments decreased. An increase in rental rates in Fiscal Year 2009-10, contributed to the $3.7 million increase in unrestricted investments at the year end. The University also increased restricted investments by $700,000 million for facility repairs and replacements.

Amounts shown as "Contributions and Transfers" primarily reflect transfers for the Housing System's allocation of University administrative overhead expenses and miscellaneous interdepartmental transfers. However, Fiscal Years 2007-08 and 2008-09 include prior period adjustments of $3 million and $165,000, respectively, for the capitalization of facility improvements which were previously treated as current expenditures.

Historical Debt Service Coverage

Presented hereafter are historical operating results and debt service coverage ratios for the last five fiscal years.

Historical Debt Service Coverage[1]

	Fiscal Years Ended June 30				
	2007	**2008**	**2009**	**2010**	**2011**
Total Operating Revenue [2]	$19,675,298	$20,361,472	$19,357,578	$22,783,057	$23,535,761
Less Current Expenses [3]	(9,499,847)	(10,842,923)	(11,388,482)	(11,508,942)	(11,906,832)
Pledged Revenues	$10,175,451	$9,518,549	$7,969,096	$11,274,115	$11,628,929
Annual Debt Service on Parity Bonds	$6,663,241	$6,578,768	$6,506,194	$6,505,718	$6,505,436
Pledged Revenues After Debt Service and Available for Other Expenditures	$3,512,210	$2,939,781	$1,462,902	$4,768,397	$5,123,493
Maximum Annual Debt Service	$6,663,241	$6,578,768	$6,506,194	$6,505,718	$6,505,436
Debt Service Coverage:					
Annual Debt Service	1.53x	1.45x	1.22x	1.73x	1.79x
Maximum Annual Debt Service	1.53x	1.45x	1.22x	1.73x	1.79x

[1] Revenue and Expense information was provided by the University and has not been audited. See "Selected Historical Information" herein.
[2] Includes rental income, conference revenue, late fees, cancellation fees, vending revenue, interest income and other miscellaneous revenue.
[3] Includes operating expenses, but specifically excludes depreciation expenses, general administrative charges of the University and renewal and replacement projects.

Projected Pledged Revenues and Debt Service Coverage

Projected operating results and debt service coverage ratios for the next five fiscal years are provided in the following table. The projections of future operating results have been prepared by the University based upon the most recent available information, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.

For the period shown below, revenues from rental payments have been projected by the University based on actual rental rates for Fiscal Year 2011-12, adopted rates for Fiscal Year 2012-13 and anticipated rental rate increases of 3% per year thereafter. It has been assumed that all housing facilities will have a 95% occupancy rate during the fall and spring semesters. It is anticipated that 25% of the housing population will remain on campus for the summer with the remainder of the beds used for summer conferences. Operating costs have been projected to increase by approximately 3% annually.

Projected Pledged Revenues and Debt Service Coverage[1]

	Fiscal Years Ended June 30				
	2012	**2013**	**2014**	**2015**	**2016**
Total Operating Revenue [2]	$24,241,834	$24,813,801	$30,963,503	$31,889,408	$32,843,090
Less Current Expense[3]	(13,586,980)	(13,989,790)	(15,690,053)	(16,163,868)	(16,648,784)
Pledged Revenues [4]	$10,654,854	$10,824,011	$15,273,450	$15,725,540	$16,194,306
Annual Debt Service: [5]					
Parity Bonds	6,395,231	5,228,243	4,376,245	4,376,668	4,383,564
Estimated 2012A Bonds [6]	-	2,918,984	3,500,853	4,344,978	4,345,503
Total Estimated Annual Debt Service	$6,395,231	$8,147,227	$7,877,098	$8,721,645	$8,729,066
Pledged Revenues After Debt Service and Available for Other Expenditures	$4,259,623	$2,676,784	$7,396,352	$7,003,895	$7,465,240
Maximum Annual Debt Service	$8,730,214	$8,730,214	$8,730,214	$8,730,214	$8,730,214
Debt Service Coverage:					
Annual Debt Service	1.67x	1.33x	1.94x	1.80x	1.86x
Maximum Annual Debt Service	1.22x	1.24x	1.75x	1.80x	1.85x

1 Projections of revenues and expenses have been provided by the University, based upon the discussion above.
2 Includes rental income, conference revenue, late fees, cancellation fees, vending revenues, and other miscellaneous revenue.
3 Does not include depreciation expense, administrative overhead, or renewal and replacement projects.
4 Does not reflect Administrative Expenses which, if charged, are currently deducted from investment earnings on the Interest and Sinking Fund.
5 Excludes debt service on the Refunded Bonds.
6 For 2012, includes an estimated $531,865 transfer from the sinking fund to the Escrow Deposit Trust Fund.

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SCHEDULE OF ESTIMATED DEBT SERVICE

The table below shows the debt service on the Outstanding Bonds anticipated to be outstanding subsequent to the refunding to be accomplished with the proceeds of the 2012A Bonds, as well as the estimated debt service on the 2012A Bonds and the total estimated debt service.

Fiscal Year Ending June 30	Outstanding Bonds	Estimated 2012A Bonds Debt Service[1]			Total Debt Service[1]
		Principal[2]	Interest[3]	Total	
2012	$6,395,231	-	-	-	$6,395,231
2013	5,228,243	-	$2,918,984	$2,918,984	8,147,227
2014	4,376,245	$920,000	2,580,853	3,500,853	7,877,098
2015	4,376,668	1,805,000	2,539,978	4,344,978	8,721,645
2016	4,383,564	1,870,000	2,475,503	4,345,503	8,729,066
2017	4,381,111	1,950,000	2,399,103	4,349,103	8,730,214
2018	4,375,056	2,035,000	2,309,228	4,344,228	8,719,284
2019	4,377,191	2,140,000	2,204,853	4,344,853	8,722,044
2020	4,373,218	2,255,000	2,094,978	4,349,978	8,723,195
2021	4,375,206	2,365,000	1,979,478	4,344,478	8,719,684
2022	3,097,863	2,490,000	1,858,103	4,348,103	7,445,965
2023	3,099,901	2,580,000	1,762,313	4,342,313	7,442,213
2024	3,096,169	2,655,000	1,691,603	4,346,603	7,442,771
2025	3,094,250	2,735,000	1,614,775	4,349,775	7,444,025
2026	3,090,638	2,815,000	1,532,893	4,347,893	7,438,530
2027	3,099,675	2,900,000	1,444,993	4,344,993	7,444,668
2028	1,834,963	2,995,000	1,350,649	4,345,649	6,180,611
2029	1,833,206	3,095,000	1,249,365	4,344,365	6,177,571
2030	1,831,856	3,210,000	1,140,575	4,350,575	6,182,431
2031	-	3,325,000	1,026,213	4,351,213	4,351,213
2032	-	1,630,000	939,500	2,569,500	2,569,500
2033	-	1,690,000	879,288	2,569,288	2,569,288
2034	-	1,760,000	812,400	2,572,400	2,572,400
2035	-	1,830,000	740,600	2,570,600	2,570,600
2036	-	1,905,000	665,900	2,570,900	2,570,900
2037	-	1,980,000	588,200	2,568,200	2,568,200
2038	-	2,065,000	507,300	2,572,300	2,572,300
2039	-	2,160,000	412,000	2,572,000	2,572,000
2040	-	2,270,000	301,250	2,571,250	2,571,250
2041	-	2,385,000	184,875	2,569,875	2,569,875
2042	-	2,505,000	62,625	2,567,625	2,567,625
	$70,720,252	$66,320,000	$42,268,370	$108,588,370	$179,308,622

[1] Includes an estimated $531,865 transfer from the sinking fund to the Escrow Deposit Trust Fund in 2012.
[2] Preliminary, subject to change as provided in the Notice of Bond Sale.
[3] Preliminary, subject to change.
Note: Numbers may not add due to rounding.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

The State Bond Act provides that all bonds issued by the Division of Bond Finance are legal investments for state, county, municipal or other public funds, and for banks, savings banks, insurance companies, executors, administrators, trustees, and all other fiduciaries and also are securities eligible as collateral deposits for all state, county, municipal, or other public funds.

Negotiability

The 2012A Bonds will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the 2012A Bonds in order that interest on the 2012A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2012A Bonds to be included in federal gross income retroactive to the date of issuance of the 2012A Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2012A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Board, the Division of Bond Finance and the Board of Administration have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the 2012A Bonds.

In the opinion of Bond Counsel, assuming compliance with the aforementioned covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2012A Bonds is excluded from gross income of the holders thereof for purposes of federal income taxation. Interest on the 2012A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the 2012A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The 2012A Bonds and the income thereon are not subject to any tax under the laws of the State of Florida except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of 2012A Bonds. Prospective purchasers of 2012A Bonds should be aware that the ownership of 2012A Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2012A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of certain items, including interest on the 2012A Bonds, (iii) the inclusion of interest on the 2012A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on 2012A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the 2012A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining whether such benefits are included in gross income for federal income tax purposes.

Tax Treatment of Bond Premium

Certain of the 2012A Bonds may be offered at prices in excess of the principal amount thereof. Under the Code, the excess of the cost basis of a bond over the principal amount of the bond (other than for a bondholder who holds a bond as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as "bond premium." For federal income tax purposes, bond premium is amortized over the term of the bonds or to the first optional redemption date in the case of callable bonds. A bondholder will therefore be required to decrease his basis in the 2012A Bonds by the amount of amortizable bond premium attributable to each taxable year such bondholder holds such 2012A Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Bondholders of such 2012A Bonds should consult their own tax advisors with respect to the precise determination of federal income tax treatment of bond premium upon sale, redemption, or other disposition of such 2012A Bonds.

Tax Treatment of Original Issue Discount

Certain of the 2012A Bonds may be offered and sold to the public at prices below their maturity amount. Under the Code, the difference between the maturity amounts of such 2012A Bonds and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of 2012A Bonds of the same maturity was sold is "original issue discount." Original issue discount will accrue over the terms of such 2012A Bonds at a constant interest rate compounded periodically. A purchaser who acquires such 2012A Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such 2012A Bonds, and will increase his adjusted basis in such 2012A Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such 2012A Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of such 2012A Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of such 2012A Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of 2012A Bonds and with respect to the state and local tax consequences of owning and disposing of such 2012A Bonds.

Purchase, ownership or sale or disposition of the 2012A Bonds and the receipt of the interest thereon may have adverse federal tax consequences for certain individual and corporate bondholders. Prospective 2012A Bondholders should consult their tax specialists for information in that regard.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2012A Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the 2012A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2012A Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the 2012A Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2012A Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of the 2012A Bonds.

State Taxes

The 2012A Bonds and the income therefrom are not subject to any taxation by the State or any county, municipality, political subdivision, agency, or instrumentality of the State, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Florida laws governing the imposition of estate taxes do not provide for an exclusion of state or local bonds from the calculation of the value of the gross estate for tax purposes. Florida's estate tax is generally calculated on the basis of the otherwise unused portion of the federal credit allowed for state estate taxes. Under Chapter 198, Florida Statutes, all values for state estate tax purposes are as finally determined for federal estate tax purposes. Since state and local bonds are included in the valuation of the gross estate for federal tax purposes, such obligations would be included in such calculation for Florida estate tax purposes. Prospective owners of the 2012A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2012A Bonds for estate tax purposes.

The 2012A Bonds and the income therefrom are subject to the tax imposed by Chapter 220 on interest, income, or profits on debt obligations owned by corporations and other specified entities.

MISCELLANEOUS

Investment of Funds

All State funds are invested by either the State Treasurer or the Board of Administration.

Funds Held Pursuant to the Resolution - The Resolution directs the manner in which funds held in the various funds may be invested. At closing, the net proceeds of the New Money Portion of the 2012A Bonds will be deposited into the 2012A Project Construction Fund in the State Treasury to pay the costs of the 2012A Project, and the net proceeds of the Refunding Portion of the 2012A Bonds will be deposited into a fund in the State Treasury or held uninvested in cash for purposes of refunding the Refunded Bonds. After collection, the Pledged Revenues are transferred to the Revenue Fund, and amounts required for debt service are transferred to the Sinking Fund held by the Board of Administration. See *"Investment by the Chief Financial Officer"* and *"Investment by the Board of Administration"* below.

Investment by the Chief Financial Officer - Funds held in the State Treasury are invested by internal and external investment managers. As of June 30, 2011, the ratio was approximately 54% internally managed funds, 32% externally managed funds, and 14% Certificates of Deposit and Security Lending. The total portfolio market value was $20,646,352,705.79 on June 30, 2011.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of June 30, 2011, $11.320 billion of the investments in the Treasury consisted of accounts held by State agencies that are required by law to maintain their investments in the Treasury. An additional $6.356 billion as of this date consisted of moneys held by certain boards, associations, or entities created by the State Constitution or by State law that are not required to maintain their investments with the Treasury and are permitted to withdraw these funds from the Treasury.

As provided by State law, the Treasury must be able to timely meet all disbursement needs of the State. Accordingly, the Treasury allocates its investments to provide for estimated disbursements plus a cushion for liquidity in instances of greater-than-expected disbursement demand.

To this end, a portion of Treasury's investments are managed for short-term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and Treasury's investment policies. Investments managed for short-term liquidity and preservation of principal are managed "internally" by Treasury personnel. The majority of investments managed for a maximum return are managed by "external" investment managers not employed by the State, although a portion (approximately $2.7 billion) of such investments is managed internally by Treasury personnel.

The Externally Managed Investment Program provides long-term value while limiting risk appropriately and provides a backup source of liquidity. External investment strategy focuses on medium-term and long-term fixed income securities, rather than money market instruments, in order to take advantage of higher returns historically achieved by such securities. Portfolio managers are hired to actively manage funds. These funds may be invested in U.S. Treasury government agency obligations, investment grade corporate debt, municipal debt, mortgage backed securities, asset backed securities, negotiable certificates of deposit, and U.S. dollar denominated investment-grade foreign bonds that are registered with the Securities and Exchange Commission. The managers may also use leveraging techniques such as forward purchase commitments, covered options, and interest rate futures.

Investment by the Board of Administration - The Board of Administration manages investment of assets on behalf of the members of the Florida Retirement System (the "FRS") Defined Benefit Plan. It also acts as sinking fund trustee for most State bond issues and oversees the management of a short-term investment pool for local governments and smaller trust accounts on behalf of third party beneficiaries.

The Board of Administration adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of June 30, 2011, the Board of Administration directed the investment/administration of 38 funds in over 450 portfolios.

As of June 30, 2011, the total market value of the FRS (Defined Benefit) Trust Fund was $128,532,863,218. The Board of Administration pursues an investment strategy which allocates assets to different investment types. The long-term objective is to meet liability needs as determined by actuarial assumptions. Asset allocation levels are determined by the liquidity and cash flow requirements of the FRS, absolute and relative valuations of the asset class investments, and opportunities within those asset classes. Funds are invested internally and externally under a Defined Benefit Plan Investment Policy Statement.

The Board of Administration uses a variety of derivative products as part of its overall investment strategy. These products are used to manage risk or to execute strategies more efficiently or more cost effectively than could be done in the cash markets. They are not used to speculate in the expectation of earning extremely high returns. Any of the products used must be within investment policy guidelines designed to control the overall risk of the portfolio.

The Board of Administration invests assets in 37 designated funds other than the FRS (Defined Benefit) Trust Fund. As of June 30, 2011, the total market value of these funds equaled $28,271,579,380. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements and investment plan. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short-term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short, but may vary depending upon the requirements of each trust and its investment plan.

Investment of bond sinking funds is controlled by the resolution authorizing issuance of a particular series of bonds. The Board of Administration's investment policy with respect to sinking funds is that only U.S. Treasury securities, and repurchase agreements backed thereby, be used.

Bond Ratings

Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings (herein referred to collectively as "Rating Agencies"), have assigned their municipal bond ratings of ___, ____ and ____, respectively, to the 2012A Bonds. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The State furnished to such Rating Agencies certain information and material in respect to the State and the 2012A Bonds. Generally, Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the Rating Agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in, suspension of or withdrawal of such ratings may have an adverse effect on the market price of the 2012A Bonds.

Certain companies provide either bond insurance or reserve account surety bonds on various series of Outstanding Bonds. The Rating Agencies have evaluated (and are continuing to evaluate) the effects of the downturn in the market for certain structured finance instruments, including collateralized debt obligations and residential mortgage backed securities, on the claims-paying ability of financial guarantors. The results of these evaluations have included and may include additional ratings affirmations, changes in rating outlook, reviews for downgrade, and downgrades. To date, the Rating Agencies have downgraded the following companies as indicated: MBIA - S&P/B, Moody's/B3; MBIA has a negative outlook by S&P and Moody's; Fitch has withdrawn its rating for MBIA; Moody's, S&P, and Fitch have withdrawn their ratings for Ambac and FGIC. Potential investors are directed to the Rating Agencies for additional information on their ongoing evaluations of the financial guaranty industry and individual financial guarantors.

Litigation

Currently there is no litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened, which, if successful, would have the effect of restraining or enjoining the issuance or delivery of the 2012A Bonds or the fixing or collection of the revenues pledged thereto. Nor is there currently any litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened which questions or affects the validity of the 2012A Bonds or the proceedings and authority under which the 2012A Bonds are to be issued. Further, there is currently no litigation pending, or to the knowledge of the University, the Board, or the Division of Bond Finance threatened, which questions or affects the corporate existence of the Board nor the title of the present officers to their respective offices. The University, the Board, and the Division of Bond Finance from time to time engage in routine litigation the outcome of which would not be expected to have any material adverse affect on the issuance and delivery of the 2012A Bonds.

Legal Opinion and Closing Certificates

The approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, will be provided on the date of delivery of the 2012A Bonds, as well as a certificate, executed by appropriate State officials, to the effect that to the best of their knowledge the Official Statement, as of its date and as of the date of delivery of the 2012A Bonds, does not contain an untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading. A proposed form of the legal opinion of Bond Counsel is attached hereto as Appendix J.

Continuing Disclosure

The Board and the University will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2012A Bonds to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access System ("EMMA"). Any notice of material events will also be transmitted to the MSRB using EMMA. The form of the undertaking is set forth in Appendix I, Form of Continuing Disclosure Agreement. This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.

Neither the Board, the University nor the Division of Bond Finance has failed to make any disclosures required by Rule 15c2-12.

Underwriting

______________ (the "Underwriters") have agreed to purchase the 2012A Bonds at an aggregate purchase price of $________ (which represents the par amount of the 2012A Bonds [plus][less] an original issue [premium] [discount] of $_______ and minus the Underwriters' discount of $_______) plus accrued interest to the date of delivery of the 2012A Bonds. The Underwriters may offer and sell the 2012A Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the offering price stated on the inside front cover.

Execution of Official Statement

This Official Statement has been prepared by the Division of Bond Finance as agent for the Board pursuant to Section 215.61(4), Florida Statutes, and the proceedings referred to herein. The Division of Bond Finance and the Board have authorized the execution and delivery of the Official Statement.

DIVISION OF BOND FINANCE of the STATE
BOARD OF ADMINISTRATION OF FLORIDA

RICK SCOTT
Governor, as Chairman of the Governing Board
of the Division of Bond Finance

J. BEN WATKINS III
Director
Division of Bond Finance

BOARD OF GOVERNORS

DEAN COLSON
Chair

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DEFINITIONS

"1992 Bonds" means the $19,080,000 State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992.

"2000 Bonds" means the $31,695,000 State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000.

"2002 Bonds" means the $14,055,000 State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002.

"2007A Bonds" means the $38,780,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2007A.

"2012A Bonds" means the $_______________ State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series 2012A.

"2012A Project" means the construction of three student dormitory facilities, a fraternity/sorority residential hall and administrative center, and other general capital improvements to the Housing System, all of which will be located on the University's main campus, as previously approved by the Board of Governors, subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Governors.

"Additional Parity Bonds" means any obligations issued after the first Series of Bonds pursuant to the terms and conditions of the Original Resolution and payable from the Pledged Revenues on a parity with the Bonds originally issued thereunder. Such Additional Parity Bonds shall be deemed to have been issued pursuant to the Original Resolution the same as the Bonds originally authorized and issued pursuant to the Original Resolution, and all of the applicable covenants and other provisions of the Original Resolution (except as to details of such Additional Parity Bonds inconsistent therewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds originally authorized and issued pursuant to the Original Resolution, and the Registered Owners of any Additional Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with the Original Resolution. All of such Additional Parity Bonds, regardless of the time or times of their issuance, shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference of any Bonds over any other. Additional Parity Bonds shall also include any outstanding indebtedness previously issued with respect to any housing facility which is being added to the Housing System and which is secured by the revenue of such housing facility.

"Administrative Expenses" means, with respect to the Bonds or the administration of any funds under the Resolution, to the extent applicable: (i) fees or charges, or both, of the Board of Administration and the Division of Bond Finance; and (ii) such other fees or charges, or both, as may be approved by the Board of Administration or the Division of Bond Finance, including but not limited to those relating to tax law compliance, disclosure of information, paying agents, rating agencies and providers of credit enhancement; all as may be determined from time to time as necessary.

"Amortization Installment" means an amount so designated which is established for the Term Bonds of each Series; provided that each such Amortization Installment shall be deemed due upon the date provided pursuant to subsequent resolution adopted by the Division of Bond Finance and the aggregate of such Amortization Installments for each Series shall equal the aggregate principal of the Term Bonds together with redemption premiums, if any, on the Term Bonds.

"Annual Debt Service Requirement" means, at any time, the amount of money required to pay the interest, principal and Amortization Installment in each Fiscal Year, provided that any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year.

"Auditor General" means the Auditor General of the State of Florida.

"Board" or "Board of Governors" means the Florida Board of Governors, a body corporate, established pursuant to Article IX, Section 7, Florida Constitution, and includes any other entity succeeding to the powers thereof.

"Board of Administration" means the State Board of Administration of Florida, as created pursuant to the provisions of Article XII, Section 9, Florida Constitution and Chapter 215, Florida Statutes.

"Bonds" means the Outstanding Bonds, the 2012A Bonds and any Additional Parity Bonds.

"Bond Amortization Account" means the account within the Sinking Fund created pursuant to Section 4.02(B) of the Resolution.

"Bond Insurance Policy" means an insurance policy issued for the benefit of the Holders of any Bonds, pursuant to which the issuer of such insurance policy shall be obligated to pay when due the principal of and interest on such Bonds to the extent of any deficiency in the amounts in the funds and accounts held under the Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, and its successors.

"Bond Year" means, with respect to a particular Series of Bonds, the annual period relevant to the application of Section 148(f) of the Code to the Series of bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division of Bond Finance selects another date on which to end a Bond Year in the manner permitted by the Code.

"Building Maintenance and Equipment Reserve Fund" means the fund required to be created pursuant to Section 4.02(C) of the Resolution.

"Code" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Current Expenses" means and include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses of the Board or the University incident to the operation of the Housing System as expanded by the terms of the Resolution, but shall exclude depreciation, all general administrative expenses of the Board or 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 the Housing System Building Maintenance and Equipment Reserve Fund.

"Defeasance Obligations" means, to the extent permitted by law, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United States of America, non-callable obligations guaranteed by the United States of America, or "stripped" interest payment obligations of debt obligations of the Resolution Funding Corporation.

"Division" or "Division of Bond Finance" means the Division of Bond Finance of the State Board of Administration of Florida.

"Eighth Supplemental Resolution" means the resolution adopted by the Governing Board of the Division on January 18, 2012, authorizing the issuance of the Refunding Portion of the 2012A Bonds.

"First Supplemental Resolution" means the resolution adopted by the Governing Board of the Division of Bond Finance on May 29, 1996, amending the Original Resolution and authorizing the issuance of the 1996 Bonds.

"Fiscal Year" means the period beginning with and including July 1 of each year and ending with and including the next June 30.

"Governing Board" means the Governor and Cabinet of the State of Florida as the governing board of the Division of Bond Finance.

"Holder of Bonds", "Bondholder", "Registered Owner" or any similar term, means any person who shall be the registered owner of any Bonds.

"Housing System" means the student living facilities of the University which are hereby defined as and shall include the following:

(1) the University's existing residence halls and apartments located in Orlando, Florida, on the campus of the University including the following facilities: Volusia Hall, Lake Hall, Osceola Hall, Polk Hall, Brevard Hall, Orange Hall, Seminole Hall, the Lake Claire Courtyard Apartments, Sumpter Hall, Flagler Hall, Citrus Hall, Academic Villages I, Academic Villages II, and Greek Park Buildings 409 and 411;

(2) the 2012 Project;

(3) the cash funded fraternity/sorority residential hall planned to be constructed concurrently with the 2012A Project; and

(4) such additional housing facilities as at some future date may be added to the Housing System.

"Housing System Revenues" means 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 Housing System, and all parts thereof, without any deductions whatever, and specifically including, without limiting the generality of the foregoing, room rental income, and any special rental fees or charges for services or space provided.

"Interest Payment Date" means, for each Series of Bonds, such dates of each Fiscal Year on which interest on Outstanding Bonds of such Series is payable, as determined pursuant to a subsequent resolution of the Division.

"Maximum Annual Debt Service" means, at any time, the maximum amount (with respect to the particular Series of Bonds, or all Bonds, as the case may be), required to be deposited in the then current or any succeeding Fiscal Year into the Sinking Fund. For the purpose of calculating the deposits to be made into a sub-account in the Reserve Account, the Maximum Annual Debt Service means, at any time, the maximum amount, if any, required to be deposited in the then current or any succeeding Fiscal Year into the Sinking Fund with respect to the Bonds for which such sub-account has been established. In the calculation of Maximum Annual Debt Service, any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year. The amount of Term Bonds maturing in any Fiscal Year will not be included as part of the Amortization Installment in determining the Maximum Annual Debt Service for that Fiscal Year.

"**New Money Portion**" means the portion of the 2012A Bonds being used to pay the costs of the 2012A Project.

"Original Resolution" means the resolution adopted on July 21,1992 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended and supplemented on May 29, 1996, November 26, 2002, September 19, 2007, and January 18, 2012, and as may be amended or supplemented from time to time.

"Outstanding" means, as of any date of determination, all Bonds theretofore authenticated and delivered except:

(i) Bonds theretofore cancelled by the Bond Registrar/Paying Agent or delivered to the Bond Registrar/Paying Agent for cancellation;

(ii) Bonds which are deemed paid and defeased and no longer Outstanding as provided herein;

(iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions of the Resolution relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Registrar/Paying Agent has been received that any such Bond is held by a bona fide purchaser;

(iv) For purposes of any consent or other action to be taken by the Holders of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Division or the Board; and

(v) Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount of such payment has been reimbursed to the issue of such Bond Insurance Policy (or monies have been deposited to defease such payment).

"Outstanding Bonds" means the Outstanding 1992 Bonds, 2000 Bonds, 2002 Bonds, and 2007A Bonds.

"Pledged Revenues" means the Housing System Revenues after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any.

"Principal Payment Date" means, for each Series of Bonds, such dates of each Fiscal Year on which principal of Outstanding Bonds of such Series is payable, as determined pursuant to a subsequent resolution of the Division.

"Rating Agency" means a nationally recognized bond rating agency.

"Rebate Amount" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Rebate Fund" means the Rebate Fund created and established pursuant to Section 6.04 of the Resolution.

"Rebate Year" means, with respect to the Bonds, (i) the twelve-month period commencing on the anniversary of the "closing date" with respect to the Bonds in each year and ending on the day prior to the anniversary of the "closing date" in the following year, except that the first Rebate Year with respect to the Bonds shall commence on the "closing date" for such Bonds and the final Rebate Year with respect to the Bonds shall end on the date of final maturity of such Bonds or (ii) such other period as regulations promulgated or to be promulgated by the United States Department of Treasury may prescribe. "Closing date" as used herein shall mean, with respect to the Bonds issued hereunder, the date of issuance and delivery of such Bonds to the original purchaser thereof.

"Record Date" means with respect to each Series of Bonds, the 15th day of the calendar month next preceding the month of an Interest Payment Date.

"Refunded Bonds" means all or a portion of the State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000, to be refunded by the 2012A Bonds.

"Refunding Portion" means the portion of the proceeds of the 2012A Bonds being used to refund the Refunded Bonds.

"Reserve Account" means the account within the Sinking Fund created pursuant to Section 4.02(B) of the Resolution and which shall include any subaccounts established for one or more particular Series of Bonds.

"Reserve Account Credit Facility" means a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance or financial product, if any, deposited in a debt service reserve subaccount in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Credit Facility shall be rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Account Insurance Policy" means the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Insurance Policy shall be an insurer rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Account Letter of Credit" means the irrevocable, transferable letter of credit, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such letter of credit shall be a banking association, bank or trust company or branch thereof whose letter of credit results in the rating of municipal obligations secured by such letter of credit to be rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Requirement"* or "Debt Service Reserve Requirement" means, as of any date of calculation for a particular debt service reserve subaccount within the Sinking Fund, an amount to be determined pursuant to resolution of the Governing Board, which amount shall not exceed the lesser of (1) the Maximum Annual Debt Service on the Bonds secured by such subaccount, (2) 125% of the average annual debt service of the Bonds secured by such subaccount, (3) 10% of the par amount of the Bonds secured by such subaccount, or (4) the maximum debt service reserve permitted with respect to tax-exempt obligations under the U.S. Internal Revenue Code of 1986, as amended, with respect to the Bonds secured by such subaccount.

"Resolution" means the Original Resolution as amended by the First Supplemental Resolution, the Third Supplemental Resolution, the Sixth Supplemental Resolution and the Eighth Supplemental Resolution.

"Revenue Fund" means the University of Central Florida Housing Revenue Fund created and established pursuant to Section 4.02 of the Resolution.

"Serial Bonds" means the Bonds of a Series which shall be stated to mature in periodic installments.

"Series" or "Series of Bonds" means all of the Bonds authenticated and delivered on original issuance pursuant to the Resolution or any supplemental resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II thereof, regardless of variations in maturity, interest rate or other provisions.

"Seventh Supplemental Resolution" means the resolution adopted by the Governing Board of the Division on January 18, 2012, authorizing the issuance of the New Money Portion of the 2012A Bonds.

"Sinking Fund" means the University of Central Florida Housing System Sinking Fund created and established pursuant to Section 4.02(B) of the Resolution.

"Sixth Supplemental Resolution" means the resolution adopted by the Governing Board of the Division on September 19, 2007, amending the Original Resolution.

"State" means the State of Florida.

"Term Bonds" means the Bonds of a Series which shall be stated to mature on one date and for the amortization of which payments are required to be made into the Bond Amortization Account in the Sinking Fund, hereinafter created, as may be provided pursuant to a subsequent resolution of the Division.

"Third Supplemental Resolution" means the resolution adopted by the Governing Board of the Division of Bond Finance on November 26, 2002, amending the Original Resolution and authorizing the issuance of the 2002 Bonds.

"University" means the University of Central Florida.

Where the context so requires, words importing singular number include the plural number in each case and vice versa, words importing persons include firms and corporations, and the masculine includes the feminine and vice versa.

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* There will be no Reserve Requirement for the 2012A Bonds.

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A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $24,000,000 STATE OF FLORIDA, BOARD OF REGENTS, UNIVERSITY OF CENTRAL FLORIDA STUDENT APARTMENT FACILITY REVENUE BONDS, SERIES 1992, TO FINANCE THE CONSTRUCTION OF A STUDENT APARTMENT FACILITY AT THE UNIVERSITY OF CENTRAL FLORIDA; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING UNIVERSITY OF CENTRAL FLORIDA REVENUE BOND ISSUES; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA ON BEHALF OF AND IN THE NAME OF THE BOARD OF REGENTS OF THE DIVISION OF UNIVERSITIES OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION.

ARTICLE I
STATUTORY AUTHORITY, FINDINGS, AND DEFINITIONS

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution (hereinafter the "Resolution") is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes, the State Bond Act; Chapters 240 and 243, Florida Statutes, and other applicable provisions of law.

SECTION 1.02. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Board of Regents of the Division of Universities of the State of Florida Department of Education (hereinafter the "Board of Regents") is authorized to acquire, own, construct, operate, maintain, improve and extend public buildings and facilities for use by any of the several State universities, and to finance such improvements; and the Board of Regents is further authorized to pay the principal of and interest on obligations issued on its behalf to finance the construction and acquisition of such improvements.

(B) The construction of a student apartment facility (hereinafter defined and referred to as the "1992 Project") at the University of Central Florida (hereinafter the "University") is necessary, desirable and in the best interest of the University.

(C) The Board of Regents, will adopt a resolution prior to the sale of the Series 1992 Bonds requesting the Division of Bond Finance of the State Board of Administration (hereinafter the "Division of Bond Finance") to take the necessary actions required for the issuance of the State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 1992 Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue the Bonds on behalf of the Board of Regents to finance the 1992 Project.

(F) The 1992 Project shall be the construction and establishment of a student apartment facility substantially in accordance with the plans and specifications as may be approved by the Board of Regents from time to time.

(G) As required by Article VII, Section 11(e) of the Florida Constitution, the Florida Legislature approved the 1992 Project in Section 5 of Chapter 92-293, Laws of Florida.

(H) The principal of and interest on the Bonds to be issued pursuant to this Resolution, and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the revenues accruing to and to be received by the Board of Regents or the University in the manner provided by this Resolution, consisting of the Pledged Revenues as hereinafter defined.

(I) The Bonds to be issued pursuant to this Resolution shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(J) The Division of Bond Finance pursuant to the statutes and constitutional provisions herein cited, is authorized to issue the Bonds, on behalf of, and in the name of the Board of Regents, subject to the terms, limitations and conditions contained in this Resolution.

(K) Pursuant to Sections 215.59 and 215.64, Florida Statutes, the Division of Bond Finance is authorized to issue revenue bonds on behalf of state agencies payable from funds derived directly from sources other than state tax revenues, without the vote of electors in the manner provided by law.

(L) There are currently outstanding Florida Technological University Dormitory Revenue Certificates of 1967 (the "1967 Certificates") (issued by the predecessor of the University), which have a lien on the portion of the Housing System Revenues derived from the project constructed with proceeds of that bond issue, and University of Central Florida Dormitory Revenue Certificates of 1980 (the "1980 Certificates"), which have a lien on the portion of the Housing System Revenues derived from the project constructed with proceeds of that bond issue and the surplus revenues from the project constructed with the proceeds of the 1967 Certificates.

(M) The 1967 Certificates, or the 1980 Certificates may be refunded and defeased in the manner provided by this Resolution.

(N) (1) Upon issuance and delivery of the 1992 Bonds, if any of the Outstanding Obligations are refunded, sufficient moneys will be deposited in the Escrow Deposit Trust Fund established for the refunded Outstanding Obligations to provide for (a) the purchase of securities, which when they mature will provide for payment of the principal, interest, if any, on the refunded Outstanding Obligations, as they become due and payable and (b) the amount of fees and expenses to be incurred in connection with the refunding of the refunded Outstanding Obligations in the manner provided herein.

(2) If any of the Outstanding Obligations are refunded, the Division of Bond Finance and the State Board of Administration will enter into an Escrow Deposit Agreement to be in the form attached hereto, with such insertions, deletions and modifications as shall be approved by bond counsel prior to the issuance and delivery of the Bonds herein authorized, which Escrow Deposit Agreement shall govern and provide for the payment and Retirement of the refunded Outstanding Obligations in accordance with the terms of the proceedings authorizing the issuance of the 1992 Bonds; and that the moneys accumulated in the sinking fund established for the Outstanding Obligations shall be transferred to the Escrow Deposit Trust Fund for the payment and retirement thereof, pursuant to the Escrow Deposit Agreement.

(3) As required by Article VII, Section 11(e) of the Florida Constitution, the Florida Legislature approved the refunding of the Outstanding Obligations in Section 43 of Chapter 92-326, Laws of Florida.

(4) After issuance and delivery of the 1992 Bonds and the establishment of the Escrow Deposit Trust Fund for the refunded Outstanding Obligations referred to above, the refunded Outstanding Obligations shall thereafter be secured by and payable solely from the moneys to be deposited in escrow for the Retirement of the Outstanding Obligations in the manner provided for in this Resolution.

(O) The proceeds of the 1992 Bonds will be sufficient, together with other available moneys, to pay the cost of the 1992 Project and the refunding of the Outstanding Obligations as provided in this Resolution.

(P) In the event the Division of Bond Finance does not refund the 1967 Certificates, the 1992 Bonds will be issued as junior and subordinate bonds to the lien on the revenues derived from the project constructed from the proceeds of the 1967 Certificates.

(Q) In the event the Division of Bond Finance, does not refund the 1980 Certificates, a Lease-Purchase Agreement in substantially the form executed between the Division of Bond Finance and the Board of Regents for the 1980 Certificates will be adopted pursuant to subsequent resolution of the Governing Board and this Resolution will be amended. The 1992 Bonds will then be issued as parity bonds with the 1980 Certificates, and the 1992 Bonds will be issued in full compliance with all requirements of the parity test for the 1980 Certificates.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 1992 Bonds by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Regents, the University and such Bondholders. The covenants and agreements to be performed by the Board of Regents and the University shall be for the equal benefit, protection, and security of the legal holders of any and all of the 1992 Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 1.04. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

(A) "Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bonds, an amount equal to the principal amount of such Capital Appreciation Bond at its initial offering plus the accrued interest on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at a rate per annum determined pursuant to a subsequent resolution of the Division (not to exceed the maximum rate permitted by law), compounded periodically, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, the ratable portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of delivery of the Bonds to the original purchasers thereof if the date of computation is prior to the first Interest Payment Date succeeding the date of delivery) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

(B) "Act" shall mean Sections 215.57-215.83, Florida Statutes, and Chapters 240 and 243, Florida Statutes.

(C) "Administrative Expenses" shall mean, with respect to the Bonds or the administration of any funds under this Resolution, to the extent applicable: (i) fees or charges, or both, of the Board of Administration and the Division of Bond Finance; and (ii) such other fees or charges, or both, as may be approved by the Board of Administration or the Division of Bond Finance, including but not limited to those relating to tax law compliance, disclosure of information, paying agents, rating agencies and providers of credit enhancement; all as may be determined from time to time as necessary.

(D) "Amortization Installment" shall mean an amount so designated which is established for the Term Bonds of each Series; provided that each such Amortization Installment shall be deemed due upon the date provided pursuant to subsequent resolution adopted by the Division of Bond Finance and the aggregate of such Amortization Installments for each Series shall equal the aggregate principal of the Term Bonds together with redemption premiums, if any, on the Term Bonds.

(E) "Annual Debt Service Requirement" shall mean, at any time, the amount of money required to pay the interest, principal and Amortization Installment in each Fiscal Year.

(F) "Auditor General" shall mean the Auditor General of the State of Florida.

(G) "Board of Administration" shall mean the State Board of Administration, as created pursuant to the provisions of Article XII, Section 9, Florida Constitution and Chapter 215, Florida Statutes.

(H) "Board of Regents" or "Board" shall mean the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions of Chapter 240, Florida Statutes.

(I) "Bond Amortization Account" shall mean the account within the Sinking Fund created pursuant to Section 4.02(B) of this Resolution.

(J) "Bond Insurance Policy" shall mean an insurance policy issued for the benefit of the Holders of any Bonds, pursuant to which the issuer of such insurance policy shall be obligated to pay when due the principal of and interest on such Bonds to the extent of any deficiency in the amounts in the funds and accounts held under this Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

(K) "Bond Registrar/Paying Agent" shall mean Citibank, N.A., New York, New York, or its successor.

(L) "Bonds" shall mean the 1992 Bonds and any additional parity bonds issued in accordance with Section 5.01 hereof.

(M) "Building Maintenance and Equipment Reserve Fund" shall mean the fund required to be created pursuant to Section 4.02(C) hereof.

(N) "Capital Appreciation Bonds" shall mean those Bonds issued under this Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and is payable in an amount equal to the then current Accreted Value at the maturity, earlier redemption or other payment date thereof, and which may be either Serial Bonds or Term Bonds, all as determined pursuant to a subsequent resolution of the Division.

(O) "Completion Bonds" shall mean those Bonds issued pursuant to Section 5.04 of this Resolution to pay the cost of completing the 1992 Project.

(P) "Current Expenses" shall mean and include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses of the Board of Regents or the University incident to the operation of the Housing System as expanded by the terms of this Resolution, but shall exclude depreciation, all general administrative expenses of the Board of Regents or 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 the Housing System Building Maintenance and Equipment Reserve Fund hereinafter provided for.

(Q) "Defeasance Obligations" shall mean, to the extent permitted by law, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United States of America, non-callable obligations guaranteed by the United States of America, or "stripped" interest payment obligations of debt obligations of the Resolution Funding Corporation.

(R) "Division" or "Division of Bond Finance" shall mean the Division of Bond Finance of the State Board of Administration .

(S) "Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement between the Division of Bond Finance and the Board of Administration, the form of which is attached hereto as an exhibit and is hereby approved, subject to such changes, insertions, omissions and filling of blanks therein as the Director or the Secretary or an Assistant Secretary of the Division of Bond Finance may deem necessary or desirable.

(T) "Escrow Deposit Trust Fund" shall mean the Outstanding University of Central Florida Dormitory Bonds Escrow Deposit Trust Fund established pursuant to Section 3.02(3)(b) of the Resolution.

(U) "Fiscal Year" shall mean the period beginning with and including July 1 of each year and ending with and including the next June 30.

(V) "Governing Board" shall mean the Governor and Cabinet of the State of Florida as the governing board of the Division of Bond Finance.

(W) "Holder of Bonds", "Bondholder", "Registered Owner" or any similar term, shall mean any person who shall be the registered owner of any Bonds.

(X) "Housing System" shall mean the student living facilities of the University which are hereby defined as and shall include the following:

> (1) The University's existing residence halls and apartments located in Orlando, Florida on the Orlando campus of the University including the following facilities: Volusia Hall, Lake Hall, Osceola Hall, Polk Hall, Brevard Hall, Orange Hall and Seminole Hall;
>
> (2) the 1992 Project; and
>
> (3) such additional facilities as at some future date may be added to the Housing System by formal action of the Board of Regents.

(Y) "Housing System Revenues" shall mean 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 Housing System, and all parts thereof, without any deductions whatever, and specifically including, without limiting the generality of the foregoing, room rental income, and any special rental fees or charges for services or space provided.

(Z) "Interest Payment Date" shall mean, for each Series of Bonds, such dates of each Fiscal Year on which interest on Outstanding Bonds of such Series is payable, as determined pursuant to a subsequent resolution of the Division.

(AA) "Maximum Annual Debt Service" shall mean, at any time, the maximum amount (with respect to the particular Series of Bonds, or all Bonds, as the case may be), required to be deposited in the then current or any succeeding Fiscal Year into the Sinking Fund. For the purpose of calculating the deposits to be made into a sub-account in the Reserve Account, the Maximum Annual Debt Service shall mean, at any time, the maximum amount, if any, required to be deposited in the then current or any succeeding Fiscal Year into the Sinking Fund with respect to the Bonds for which such sub-account has been established. In the calculation of Maximum Annual Debt Service, any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year. The amount of Term Bonds maturing in any Fiscal Year shall not be included as part of the Amortization Installment in determining the Maximum Annual Debt Service for that Fiscal Year.

(BB) "1980 Certificates" shall mean the University of Central Florida Dormitory Revenue Certificates of 1980.

(CC) "1967 Certificates" shall mean the Florida Technological University Dormitory Revenue Certificates of 1967 (issued by the predecessor of the University).

(DD) "1992 Bonds" shall mean the not to exceed $24,000,000 State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992.

(EE) "1992 Project" shall mean the following facilities as previously approved by the Board of Regents and the Legislature, and subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Regents, and is more specifically described as follows:

The acquisition, design, construction, sitework, parking and equipment for apartment student residence halls which have a total design capacity of 702 beds located on approximately 11.2 acres of the University's main campus in Orlando, Florida. The 1992 Project consists of 164 four person apartments, 15 three person apartments, 1 graduate staff unit, and a commons building and maintenance area.

(FF) "1992 Project Construction Fund" shall mean a trust fund in which shall be deposited the net proceeds of the 1992 Bonds and other available moneys for the construction of the 1992 Project.

(GG) "Outstanding" shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:

(i) Bonds theretofore cancelled by the Bond Registrar/Paying Agent or delivered to the Bond Registrar/Paying Agent for cancellation;

(ii) Bonds which are deemed paid and defeased and no longer Outstanding as provided herein;

(iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Registrar/Paying Agent has been received that any such Bond is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken hereunder by the Holders of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Division or the Board of Regents.

(HH) "Outstanding Obligations" shall mean the $1,550,000 Florida Technological University Dormitory Revenue Certificates of 1967 and the $4,834,000 University of Central Florida Dormitory Revenue Certificates of 1980, both heretofore issued and the coupons attached thereto.

(II) "Pledged Revenues" shall mean the Housing System Revenues after deducting the Administrative Expenses, the Current Expenses, the Rebate Amount and amounts required for the 1967 Certificates.

(JJ) "Principal Payment Date" shall mean, for each Series of Bonds, such dates of each Fiscal Year on which principal of Outstanding Bonds of such Series is payable, as determined pursuant to a subsequent resolution of the Division.

(KK) "1992 Project Costs" shall mean the actual costs of the 1992 Project, including costs of construction; materials, labor, furnishings, equipment, and apparatus; landscaping, roadway and parking facilities; the acquisition of all lands or interests therein, and all other property, real or personal, appurtenant to or useful in the 1992 Project; interest on the Bonds for a reasonable period after date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architect and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Regents necessary to the construction and placing in operation of the 1992 Project and the financing thereof.

(LL) "Rating Agency" shall mean a nationally recognized bond rating agency.

(MM) "Rebate Amount" shall have the meaning ascribed to that term in Section 6.04 of this Resolution.

(NN) "Rebate Fund" shall mean the Rebate Fund created and established pursuant to Section 6.04 of this Resolution.

(OO) "Rebate Year" shall mean, with respect to the Bonds issued hereunder, (i) the twelve-month period commencing on the anniversary of the "closing date" with respect to the Bonds in each year and ending on the day prior to the anniversary of the "closing date" in the following year, except that the first Rebate Year with respect to the Bonds shall commence on the "closing date" for such Bonds and the final Rebate Year with respect to the Bonds shall end on the date of final maturity of such Bonds or (ii) such other period as regulations promulgated or to be promulgated by the United States Department of Treasury may prescribe. "Closing date" as used herein shall mean, with respect to the Bonds issued hereunder, the date of issuance and delivery of such Bonds to the original purchaser thereof.

(PP) "Record Date" shall mean with respect to each Series of Bonds, the 15th day of the calendar month next preceding the month of an Interest Payment Date.

(QQ) "Reserve Account" shall mean the account within the Sinking Fund created pursuant to Section 4.02(B) of the Resolution and which shall include any subaccounts established for a particular Series of Bonds.

(RR) "Reserve Account Credit Facility" shall mean a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance or financial product, if any, deposited in a debt service reserve subaccount in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Credit Facility shall be rated in one of the two highest full rating categories of a Rating Agency.

(SS) "Reserve Account Insurance Policy" shall mean the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Insurance Policy shall be an insurer rated in one of the two highest full rating categories of a Rating Agency.

(TT) "Reserve Account Letter of Credit" shall mean the irrevocable, transferable letter of credit, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such letter of credit shall be a banking association, bank or trust company or branch thereof whose letter of credit results in the rating of municipal obligations secured by such letter of credit to be rated in one of the two highest full rating categories of a Rating Agency.

(UU) "Reserve Requirement" or "Debt Service Reserve Requirement" shall mean with respect to the 1992 Bonds the least of (1) Maximum Annual Debt Service requirement on the 1992 Bonds, (2) 125% average annual debt service, (3) 10% of the par amount of the 1992 Bonds, or (4) an amount up to the maximum debt service reserve permitted with respect to tax-exempt obligations under the U.S. Internal Revenue Code of 1986, as amended, with respect to the Bonds for which the Reserve Requirement is being calculated.

(VV) "Resolution" shall mean this resolution adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the 1992 Bonds.

(WW) "Retirement of the Outstanding Obligations" or words of similar impact, shall mean the provision for the payment of the principal and interest on the refunded Outstanding Obligations as the same become due and payable, and the fees and expenses incurred in the refunding of the refunded Outstanding Obligations. Such phrase shall also mean the defeasance and release of the holders of the refunded Outstanding Obligations of the pledge of and lien on the Housing System Revenues defined herein, upon deposit of a sufficient amount of moneys into escrow for such purposes as provided for herein.

(XX) "Revenue Fund" shall mean the University of Central Florida Housing Revenue Fund created and established pursuant to Section 4.02 of this Resolution.

(YY) "Serial Bonds" shall mean the Bonds of a Series which shall be stated to mature in periodic installments.

(ZZ) "Series" or "Series of Bonds" shall mean all of the Bonds authenticated and delivered on original issuance pursuant to this Resolution or any supplemental resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof, regardless of variations in maturity, interest rate or other provisions.

(AAA) "Sinking Fund" shall mean the University of Central Florida Housing System Sinking Fund created and established pursuant to Section 4.02(B) of this Resolution.

(BBB) State" shall mean the State of Florida.

(CCC) "Term Bonds" shall mean the Bonds of a Series which shall be stated to mature on one date and for the amortization of which payments are required to be made into the Bond Amortization Account in the Sinking Fund, hereinafter created, as may be provided pursuant to a subsequent resolution of the Division.

(DDD) "University" shall mean the University of Central Florida.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BONDS

SECTION 2.01. AUTHORIZATION OF 1992 BONDS. Subject and pursuant to the provisions of this Resolution, fully registered revenue bonds of the Board of Regents of the Division of Universities of the State of Florida Department of Education to be known as "State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992", are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Regents in an aggregate principal amount not to exceed Twenty-four Million Dollars ($24,000,000), for the purpose of financing the construction and equipping of the 1992 Project and refunding, defeasing and retiring of some or all of the Outstanding Obligations as described herein.

SECTION 2.02. DESCRIPTION OF 1992 BONDS. The 1992 Bonds shall be issued in fully registered form without coupons; shall be dated as determined pursuant to subsequent resolution of the Division of Bond Finance; shall be numbered consecutively from one (1) upward and shall be in the denomination of $5,000 each or any integral multiples thereof; shall bear interest at not exceeding the maximum rate permitted by law, payable on each Interest Payment Date, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof; and shall mature on such dates in such years and amounts as shall be determined pursuant to subsequent resolution adopted by the Division on or prior to the sale of the Bonds.

The 1992 Bonds may be sold at one time or in Series from time to time as the Division may determine by resolution. If issued in Series, each Series shall be dated and have an identifying number or letter. All of such 1992 Bonds, when issued, will rank equally as to source and security for payment.

Interest shall be paid on the Interest Payment Dates to the registered owner whose name appears on the books of the Bond Registrar/Paying Agent (the "Registered Owner") as of 5:00 p.m. (local time, Tallahassee, Florida) on the Record Date next preceding such Interest Payment Date by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) from the Bond Registrar/Paying Agent to the Bondholder, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof.

SECTION 2.03. NO PLEDGE OF FULL FAITH AND CREDIT OF STATE OF FLORIDA. The payment of the principal of and interest on the Bonds is secured only by the Pledged Revenues, as defined herein, generated by the Housing System in the manner set forth herein. The Bonds do not constitute general obligations or indebtedness of the State of Florida or any of its agencies and shall not be a debt of the State or of any agency, and the full faith and credit of the State is not pledged to the principal of or interest on the Bonds.

SECTION 2.04. 1992 BONDS MAY BE ISSUED AS SERIAL BONDS OR TERM BONDS. The 1992 Bonds may be issued as, or as a combination of, Serial Bonds, Term Bonds, Capital Appreciation Bonds or such other type of bonds as shall be determined pursuant to subsequent resolution of the Division of Bond Finance.

SECTION 2.05. PRIOR REDEMPTION OF THE 1992 BONDS. The 1992 Bonds shall be subject to redemption as provided in this Resolution and in the Notice of Bond Sale, provided that the Director or the Secretary or an Assistant Secretary of the Governing Board is authorized to amend the redemption provisions of the 1992 Bonds in such manner as he may determine to be in the best interest of the State.

Unless waived by any Holder of 1992 Bonds to be redeemed, a notice of the redemption prior to maturity of any of the 1992 Bonds shall be mailed by first class mail (postage prepaid) at least thirty (30) days prior to the date of redemption to the Registered Owner of the 1992 Bonds to be redeemed, of record on the books of the Bond Registrar, as of forty-five days prior to the date of redemption. Such notice of redemption shall specify the serial or other distinctive numbers or letters of the 1992 Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price thereof and, in the case of 1992 Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure to give any such notice by mailing to any Holder of 1992 Bonds, or any defect therein, shall not affect the validity of the proceedings for the redemption of any 1992 Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided above shall be conclusively presumed to have been given, whether or not the Registered Owner of such 1992 Bond receives such notice.

The privilege of transfer or exchange of any of the 1992 Bonds is suspended during a period beginning at the opening of business on the 15th business day next preceding the date fixed for redemption and ending at the close of business on the date fixed for redemption.

Notice having been given in the manner and under the conditions hereinabove provided, the 1992 Bonds or portions of 1992 Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such 1992 Bonds or portions of 1992 Bonds on such date. On the date so designated for redemption, notice having been given and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the Board of Administration, or the Bond Registrar/Paying Agent, in trust for the Registered Owners of the 1992 Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the 1992 Bonds or portions of 1992 Bonds so called for redemption shall cease to accrue, such 1992 Bonds and portions of 1992 Bonds shall cease to be Outstanding under the provisions of this Resolution and shall not be entitled to any lien, benefit or security under this Resolution, and the Registered Owners of such 1992 Bonds or portions of 1992 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof from the moneys held in trust for the payment thereof and, to the extent provided herein to receive 1992 Bonds for any unredeemed portion of the Bonds. Any and all 1992 Bonds redeemed prior to maturity shall be duly cancelled by the Bond Registrar/Paying Agent and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Bond Registrar/Paying Agent as set out below, but no defect in said further notice nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all 1992 Bonds being redeemed; (ii) the date of issue of the 1992 Bonds as originally issued; (iii) the rate of interest borne by each 1992 Bond being redeemed; (iv) the maturity date of each 1992 Bond being redeemed; (v) the publication date of the official notice of redemption; (vi) the name and address of the Bond Registrar/Paying Agent; and (vii) any other descriptive information needed to identify accurately the 1992 Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the 1992 Bonds (such depositories now being The Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois, and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the 1992 Bonds.

(c) Each further notice of redemption shall be published one time in The Bond Buyer of New York, New York or in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the 1992 Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(d) Upon the payment of the redemption price of 1992 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying the 1992 Bonds redeemed with the proceeds of such check or other transfer.

In case part but not all of an outstanding 1992 Bond shall be selected for redemption, the Registered Owner thereof shall present and surrender such 1992 Bond to the Bond Registrar/Paying Agent for payment of the principal amount thereof so called for redemption, and the Bond Registrar/Paying Agent shall execute and deliver to or upon the order of such Registered Owner, without charge therefor, for the unredeemed balance of the principal amount of the 1992 Bond so surrendered, a 1992 Bond or 1992 Bonds fully registered as to principal and interest.

SECTION 2.06. EXECUTION OF 1992 BONDS. The 1992 Bonds shall be executed in the name of the Board of Regents by its Chairman and attested to by its Vice-Chairman, or such other member of the Board of Regents as may be designated pursuant to subsequent resolution of the Governing Board of the Division of Bond Finance, and the corporate seal of the Board of Regents or a facsimile thereof shall be affixed thereto or reproduced thereon. The Bond Registrar/Paying Agent's certificate of authentication shall appear on the 1992 Bonds, signed by an authorized signator of said Bond Registrar/Paying Agent. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the 1992 Bonds, provided that at least one signature required shall be manually subscribed. In case any one or more of the officers who shall have signed or sealed any of the 1992 Bonds shall cease to be such officer of the Board of Regents before the Bonds so signed and sealed shall have been actually sold and delivered, the 1992 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 1992 Bonds had not ceased to hold such office. Any 1992 Bond may be signed and sealed on behalf of the Board of Regents by such person as to the actual time of the execution of such 1992 Bond shall hold the proper office, although at the date of such 1992 Bond, such person may not have held such office or may not have been so authorized.

A certificate as to Circuit Court validation, in the form hereinafter provided, shall be executed with the facsimile signature of any present or future Chairman of the Governing Board of the Division of Bond Finance.

A certificate as to the approval of the issuance of the 1992 Bonds pursuant to the provisions of the State Bond Act, in the form provided herein, shall be executed by the facsimile signature of the Comptroller of the State of Florida, as Secretary of the Governing Board of the Division of Bond Finance.

SECTION 2.07. NEGOTIABILITY. The 1992 Bonds shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida. The original holder and each successive holder of any of the 1992 Bonds shall be conclusively deemed by his acceptance thereof to have agreed that the 1992 Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

SECTION 2.08. REGISTRATION AND TRANSFER. The 1992 Bonds shall be issued only as fully registered bonds without coupons. The Bond Registrar/Paying Agent shall be responsible for maintaining the books for the registration of and for the transfer of the Bonds in compliance with its agreement with the State.

Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any 1992 Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar/Paying Agent shall deliver in the name of the transferee or transferees a fully registered 1992 Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

All 1992 Bonds presented for transfer, exchange, redemption or payment shall be accompanied (if so required by the Division of Bond Finance or the Bond Registrar/Paying Agent) by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Division of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or by his duly authorized attorney.

Neither the Division of Bond Finance nor the Bond Registrar/Paying Agent may charge the Bondholder or his transferee for any expenses incurred in making any exchange or transfer of the 1992 Bonds. However, the Division of Bond Finance and the Bond Registrar/Paying Agent may require payment from the 1992 Bondholder of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses shall be paid before any such new 1992 Bond shall be delivered.

New 1992 Bonds delivered upon any transfer or exchange shall be valid obligations of the Board of Regents evidencing the same debt as the 1992 Bonds surrendered, shall be secured by this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the 1992 Bonds surrendered.

The Board of Regents and the Bond Registrar/Paying Agent may treat the Registered Owner of any 1992 Bond as the absolute owner thereof for all purposes, whether or not such 1992 Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any 1992 Bond is registered may be deemed the owner thereof by the Board of Regents and the Bond Registrar/Paying Agent, and any notice to the contrary shall not be binding upon the Division or the Bond Registrar/Paying Agent.

Notwithstanding the foregoing provisions of this Section 2.08, the Division of Bond Finance reserves the right, on or prior to the delivery of the Bonds, to amend or modify the foregoing provisions relating to registration of the 1992 Bonds in order to comply with all applicable laws, rules, and regulations of the United States Government and the State of Florida relating thereto.

SECTION 2.09. AUTHENTICATION. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond substantially in the form herein set forth shall have been duly executed by the manual signature of the Bond Registrar/Paying Agent, and such executed certificate of the Bond Registrar/Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Bond Registrar/Paying Agent's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar/Paying Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereinafter.

SECTION 2.10. DISPOSITION OF BONDS PAID OR EXCHANGED. Whenever any Bond shall be delivered to the Bond Registrar/Paying Agent for cancellation, upon payment of the principal amount thereof or for replacement or transfer or exchange, such Bond shall either be cancelled and retained by the Bond Registrar/Paying Agent for a period of time specified in writing by the Division of Bond Finance or the Board of Administration, or, at the option of the Division of Bond Finance or the Board of Administration, shall be cancelled and destroyed by the Bond Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Division of Bond Finance or the Board of Administration.

SECTION 2.11. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Division of Bond Finance may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder furnishing the Division of Bond Finance proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Division of Bond Finance may prescribe and paying such expense as the Division of Bond Finance may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar/Paying Agent. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Division of Bond Finance may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this Section shall constitute original, additional, contractual obligations on the part of the Board of Regents, whether or not the lost, stolen or destroyed Bond be at any time found by anyone and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Resolution from the Pledged Revenues.

SECTION 2.12. FORM OF 1992 BONDS. The text of the 1992 Bonds, together with the validation certificate to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

[FORM OF BOND INTENTIONALLY OMITTED]

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 1992 PROJECT AND REFUNDING OF THE OUTSTANDING OBLIGATIONS. The Board of Regents is authorized to acquire and construct the 1992 Project from the proceeds of the sale of the 1992 Bonds and other legally available funds, subject to the provisions of this Resolution and the applicable laws of Florida. The Division of Bond Finance is authorized to refund some or all of the Outstanding Obligations from a portion of the proceeds of the sale of the 1992 Bonds and other legally available funds, subject to the provisions of this Resolution and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the 1992 Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 1992 Bonds, including a reasonable charge for the Division's services, the Division shall transfer to and deposit the remainder of the Bond proceeds as follows:

(1) An amount which together with other moneys available therefor and on deposit in the Reserve Account is equal to the Debt Service Reserve Requirement, to the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Division, as provided in Section 4.02(B), may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Debt Service Reserve Requirement and the sums then on deposit in the applicable sub-account in the Reserve Account.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited in the Sinking Fund, created by this Resolution, and used for the payment of interest on the 1992 Bonds.

(3)(a) Prior to the delivery of the Bonds, the Division of Bond Finance shall obtain from the Board a certificate or certificates, setting forth (i) the principal amount of the Outstanding Obligations to be refunded; (ii) the amount of interest payable on the Outstanding Obligations to be refunded; and (iii) the amount of fees and expenses estimated by the Board of Administration to be incurred in connection with the Retirement of the Outstanding Obligations.

(b) There shall be transferred to the Board of Administration for deposit into a separate trust fund, which is hereby created, to be known as the Outstanding University of Central Florida Dormitory Bonds Escrow Deposit Trust Fund (hereinafter referred to as the "Escrow Deposit Trust Fund"), an amount sufficient to pay the fees and expenses estimated by the Board of Administration to be incurred in connection with the Retirement of the Outstanding Obligations to be refunded, and an amount which together with any other available funds will be sufficient to purchase securities which will provide, when they mature, amounts equal to, but not less than the amounts certified by the Board pursuant to (3)(a) above; less the amounts of any discounts or interest on direct obligations of the United States to be held as investments in the Escrow Deposit Trust Fund which will accrue to and be deposited, to the extent permitted by applicable Federal regulation.

The Escrow Deposit Trust Fund shall be held in trust by the Board of Administration pursuant to an Escrow Deposit Agreement to be entered into between the Division of Bond Finance and the State Board of Administration, as Trustee.

(4) After making the transfers provided for in subsections (1), (2) and (3) above, the balance of the proceeds of the Bonds shall be transferred to and deposited into the 1992 Project Construction Fund, which is hereby created in the State Treasury, and used for the purposes of said Fund.

Any unexpended balance remaining in the 1992 Project Construction Fund, after a consulting architect shall certify that the 1992 Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by this Resolution.

In addition to the aforementioned proceeds of the 1992 Bonds, the Board of Regents covenants that it will deposit in the 1992 Project Construction Fund additional funds legally available for such purpose which, together with the proceeds of the 1992 Bonds, will be sufficient to finance the total 1992 Project Costs. Any such additional funds, other than the proceeds of the 1992 Bonds or Completion Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the Bonds issued pursuant to this Resolution.

All moneys in said 1992 Project Construction Fund, or in any other construction fund hereafter created for any project hereafter financed in whole or in part from the proceeds of pari passu additional Bonds as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the holders of Bonds issued pursuant to this Resolution, until such funds are applied as provided herein, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of state funds.

SECTION 3.03. INVESTMENT OF 1992 PROJECT CONSTRUCTION FUND. Any moneys in the 1992 Construction Fund not immediately needed for the purposes provided in this Resolution, may be temporarily invested and reinvested as provided in Section 18.10, Florida Statutes.

ARTICLE IV
APPLICATION AND ADMINISTRATION OF PLEDGED REVENUES

SECTION 4.01. BONDS SECURED BY PLEDGED REVENUES. (A) The payment of principal of and interest on the Bonds shall be secured forthwith equally and ratably by a valid and enforceable senior lien on the Pledged Revenues as provided for in Section 6.01 of this Resolution and to be received under this Resolution, and such Pledged Revenues, except as may be required for payment of Rebate Amounts, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds, as the same become due.

(B) The Bonds shall not be or constitute an indebtedness of the State, or any political subdivision thereof or any instrumentality thereof, but shall be payable solely from the Pledged Revenues, as provided herein. No Holder or Holders of the Bonds shall ever have the right to compel the exercise of the taxing power of the State, or any political subdivision thereof, to pay such Bonds or the interest thereon, or be entitled to payment of such principal and interest from any other funds except such payments consisting of the Pledged Revenues, in the manner provided herein.

SECTION 4.02. APPLICATION OF HOUSING SYSTEM REVENUES. Upon collection the Pledged Revenues shall be deposited by the University in a separate account in a bank approved by the Board of Regents and the State Treasurer. This separate account shall be known as the "University of Central Florida Housing Revenue Fund" (hereinafter referred to as the "Revenue Fund") which is hereby created. Said fund constitutes a trust fund for the purposes provided in this Resolution, and shall be kept separate and distinct from all other funds of the University and the Board of Regents and used only for the purposes and in the manner provided in this Resolution. All revenues on deposit at any time in the Revenue Fund shall be applied only in the following manner and order of priority:

(A) First, for payment of Current Expenses of the Housing System for the current month, and to maintain on deposit a sufficient amount of moneys for payment of the next month's Current Expenses of the Housing System, as determined in the annual budget of the University.

(B) Second, the remaining moneys not needed for the purposes of (A) above, shall be transferred to the Board of Administration to be used as follows:

(i) for payment of the Administrative Expenses;

(ii) for deposit into the Sinking Fund, which is hereby created, until there is accumulated in said Sinking Fund an amount sufficient to pay the next installments of principal and interest to become due during the then current Fiscal Year, including Amortization Installments for any Term Bonds which funds shall be deposited into the Bond Amortization Account which is hereby created;

(iii) for the maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account, or sub-accounts therein, in the Sinking Fund in an amount equal to the Debt Service Reserve Requirement.

The moneys in the Reserve Account shall be used for the payments provided for in (ii) above when the other moneys in the Sinking Fund are insufficient therefor, any withdrawals from the Reserve Account shall be restored from the first moneys available therefor in the Sinking Fund after the required payments under (ii) above have been made or provided for. Any unused portion of the Reserve Account may be used by the Board to reduce the final installments of the Annual Debt Service Requirement becoming due. If the funds on deposit in the Reserve Account exceed the Reserve Requirement with respect to the Series of Bonds secured thereby, such excess shall remain in the Sinking Fund to be used for the purposes thereof.

Notwithstanding the foregoing provisions, in lieu of the required deposits into the Reserve Account, the Board of Regents may at any time cause to be deposited into one or more sub-accounts in the Reserve Account, a Reserve Account Credit Facility for the benefit of the Bondholders for which such sub-account has been established, in an amount which, together with sums on deposit, equals the Debt Service Reserve Requirement. The Reserve Account Credit Facility shall be payable or available to be drawn upon, as the case may be, on or before any Interest Payment Date or Principal Payment Date on which a deficiency exists which cannot be cured by funds in any other account held for such Bonds pursuant to this Resolution and available for such purpose. In no event shall the use of such Reserve Account Credit Facility be permitted if it would cause, at the time of acquisition of such Reserve Account Credit Facility, an impairment in any existing rating on the Bonds or any Series of Bonds. If a disbursement is made under the Reserve Account Credit Facility, the Board of Regents shall be obligated, from the first Pledged Revenues available, to either reinstate such Reserve Account Credit Facility, immediately following such disbursement to the amount required to be maintained in the Reserve Account or to deposit into the applicable sub-account in the Reserve Account from the Pledged Revenues, as herein provided, funds in the amount of the disbursement made under such Reserve Account Credit Facility plus any amounts required to reimburse the Reserve Account Credit Facility provider for previous disbursements made pursuant to such Reserve Account Credit Facility, or a combination of such alternatives as shall equal the amount required to be maintained.

In the event that any moneys shall be withdrawn by the Board of Administration from the Reserve Account for the payment of interest, principal or Amortization Installments, such withdrawals shall be subsequently restored from the first Pledged Revenues available after all required payment have been made as provided in paragraph (ii) of this section, including any deficiencies for prior payments, unless restored by a reinstatement under a Reserve Account Credit Facility of the amount withdrawn.

Moneys in the Reserve Account shall be used only when the other moneys in the Sinking Fund available for such purpose are insufficient therefor.

The Division shall cause to be established and the Board of Administration shall establish one or more specific sub-accounts in the Reserve Account. Each sub-account may be established for one or more Series of Bonds. Each sub-account shall be available only to cure deficiencies in the accounts in the Sinking Fund with respect to the Series of Bonds for which such sub-account has been established, and no amounts in the other sub-accounts in the Reserve Account shall be available for such purpose. Such separate sub-account shall be established and designated in the resolution authorizing such Series of Bonds. Such resolution may also specify the method of valuation of the amounts held in such separate sub-account.

Any moneys in a sub-account in the Reserve Account in excess of the amount required to be maintained therein shall first be used to cure any deficiency in any other sub-account in the Reserve Account and any remaining monies shall be deposited into the Revenue Fund; and

(iv) for deposit to the Rebate Fund created by Section 6.04(B) of this Resolution, an amount of moneys sufficient to pay the Rebate Amount.

(C) Third, As soon as the required balances have been accumulated in each Fiscal Year in the Sinking Fund, including the Reserve Account, and deficiencies have been restored for prior payments, moneys remaining in the Sinking Fund shall be transferred by the Board of Administration to the University for deposit in the Building Maintenance and Equipment Reserve Fund to be established by the University in a separate account in a bank approved by the Board of Regents and the State Treasurer. Amounts required by this Resolution to be deposited in the Building Maintenance and Equipment Reserve Fund shall be as approved in the annual budget of the University pursuant to Section 8.12 hereof. Such deposits shall continue to be made in each Fiscal Year in amounts necessary to maintain a balance of deposits in such amounts as are required to be deposited by the Board of Regents.

The moneys in said Building Maintenance and Equipment Reserve Fund may be drawn on and used by the Board of Regents or the University for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary and normal expense of the operation and maintenance of said Housing System.

In the event the moneys in the Sinking Fund and Reserve Account therein on any Interest Payment Date or Principal Payment Date shall be insufficient to pay the next maturing installment of principal or interest on the Bonds, then moneys in said Building Maintenance and Equipment Reserve Fund may be transferred to the Sinking Fund to the extent necessary to eliminate such deficiencies and to avoid a default or to the Rebate Fund to pay the Rebate Amount.

(D) Fourth, the balance of any money not needed for the payments provided in (A), (B) and (C) above, shall be applied in the sole discretion of the University for:

1. Optional redemption or purchase of Bonds; or

2. Any lawful purpose of the University.

(E) If on any payment date the revenues are insufficient to place the required amounts in any of the funds as above provided, the deficiency shall be made up in subsequent payments in addition to the payments which would otherwise be required to be made into such funds on the subsequent payment dates.

(F) The Revenue Fund and the Sinking Fund shall constitute trust funds for the purposes provided herein for such funds. All of such funds shall be continuously secured in the same manner as deposits of state funds are required to be secured by the laws of the State.

Except insofar as such funds may be needed for any payment required to be made by the terms of this Resolution or the Bonds, moneys in any of the funds authorized or required by this Resolution may be invested and reinvested at any time as provided by Section 18.10, Florida Statutes. When so invested or reinvested, the interest income derived from the investment or reinvestment of such obligations shall be deposited in the Revenue Fund and used for the purposes therein. The proceeds derived from the investment or reinvestment of such obligations shall be held for and credited to the fund for which said obligations were purchased except as otherwise provided in this Resolution; provided, however, that any such obligations purchased as investments for moneys in the Sinking Fund shall mature not later than the dates upon which such moneys will be needed for the payment of maturing principal and interest to be paid from said Sinking Fund.

ARTICLE V
ADDITIONAL PARITY BONDS AND
REFUNDING REQUIREMENTS

SECTION 5.01. ISSUANCE OF ADDITIONAL PARITY BONDS. The Division of Bond Finance is authorized to issue additional parity Bonds after the issuance of the 1992 Bonds authorized by this Resolution, but only upon the following terms, restrictions and conditions:

(A) The proceeds from such additional parity Bonds shall be used to acquire and construct capital additions or improvements to the Housing System.

(B) All previously authorized certificates or bonds shall have been issued and delivered, or authority for the issuance and delivery of any unissued portion thereof shall have been cancelled.

(C) The Board of Regents shall authorize the issuance of such additional parity Bonds.

(D) The Board of Administration shall approve the fiscal sufficiency of such additional parity Bonds.

(E) Certificates shall be executed by the Board of Regents or other appropriate State official setting forth:

(1) the average amount of Pledged Revenues from the two Fiscal Years immediately preceding the issuance of the proposed additional parity Bonds, and;

(2) (i) the maximum annual debt service on the 1980 Certificates then outstanding, and (ii) the Maximum Annual Debt Service on the Bonds then Outstanding and the additional parity bonds then proposed to be issued.

(F) The Board of Regents must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of this Resolution and the Board of Regents must be currently in compliance with the covenants and provisions of this Resolution and any supplemental resolution hereafter adopted for the issuance of additional parity bonds; unless upon the issuance of such additional parity bonds the Board of Regents will be in compliance with all such covenants and provisions.

(G)(1) The average amount of Pledged Revenues for the two immediately preceding Fiscal Years adjusted as hereinafter provided, as certified by the Board of Regents or other appropriate State official pursuant to Section 5.01(E)(1), will be at least equal to one hundred thirty percent (130%) of the Maximum Annual Debt Service on (i) the 1980 Certificates and the Bonds then Outstanding, and (ii) the additional parity bonds then proposed to be issued;

(2) The Pledged Revenues calculated pursuant to the foregoing subsection (G)(1) may be adjusted, at the option of the Board of Regents as follows:

(a) If the Board of Regents or the University , prior to the issuance of the proposed additional parity bonds, shall have increased the rates, fees, rentals or other charges for the services of the Housing System, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of said additional parity bonds shall be adjusted to show the Pledged Revenues which would have been derived from the Housing System as if such increased rates, fees, rentals or other charges for the services of the Housing System had been in effect during all of such two preceding Fiscal Years.

(b) If the Board of Regents or the University shall have acquired or has contracted to acquire any privately or publicly owned existing apartment facility, then the average amount of Pledged Revenues derived from the Housing System during the two immediately preceding Fiscal Years prior to the issuance of said additional parity bonds as certified by the Board of Regents or other appropriate State official, shall be increased by adding to the Pledged Revenues for said two preceding Fiscal Years the net revenues which would have been derived from any existing apartment facility so acquired as if such existing apartment facility had been a part of the Housing System during such two Fiscal Years. For the purposes of this paragraph, the revenues derived from said existing apartment facility during such two preceding Fiscal Years shall be adjusted to determine such net revenues by deducting the cost of operation and maintenance of said existing apartment facility from the gross revenues of said apartment facility in the same manner provided in the Resolution for the determination of Pledged Revenues. The revenues from such facilities may also be adjusted for any increase in rates as though they had been in effect during all of such two preceding Fiscal Years.

(c) Should the Board of Regents or the University be constructing or acquiring additions, extensions or improvements to the Housing System from the proceeds of such additional parity bonds or from sources other than additional parity bonds and if the Board of Regents or the University shall have established rates, fees, rentals or other charges to be charged and collected from users of such facilities when service is rendered, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of such additional parity bonds, as certified by the Board of Regents, shall be adjusted to show the Pledged Revenues estimated by the Board of Regents to be received from the users of the facilities to be financed, during the first twelve (12) months of operation after completion of the construction or acquisition of said additions, extensions and improvements as if such rates, fees, rentals or other charges for such services had been in effect during all of such two Fiscal Years.

SECTION 5.02. REFUNDING BONDS. All of the Bonds originally issued pursuant to this Resolution then Outstanding, together with all additional parity bonds theretofore issued and then Outstanding, may be refunded as a whole or in part. This section shall not be construed as a limitation on the Division's authority to issue refunding obligations that are junior to the Bonds or refunding Bonds for the purpose of refunding junior obligations. If the Annual Debt Service Requirement of the refunding Bonds in each Fiscal Year is equal to or less than the Annual Debt Service Requirement of the refunded Bonds, then the provisions of Section 5.01(G) of this Resolution shall not apply to the issuance of the refunding Bonds.

SECTION 5.03. ISSUANCE OF OTHER OBLIGATIONS OR CREATION OF ENCUMBRANCES. The Division of Bond Finance covenants that it will not issue any other obligations, except additional parity Bonds provided for in Section 5.01 hereof, refunding Bonds provided for in Section 5.02 hereof, or Completion Bonds provided for in Section 5.04 hereof, payable from the Pledged Revenues nor voluntarily create or cause to be created any other debt, lien, pledge, assignment, encumbrance or other charge, having priority to or being on a parity with the lien of the Bonds issued pursuant to this Resolution, upon the Pledged Revenues securing the Bonds provided for in this Resolution. Any such other obligations hereafter issued by the Board of Regents, in addition to the Bonds authorized by this Resolution and such additional parity bonds and parity refunding bonds or Completion Bonds provided for in Sections 5.01, 5.02, or 5.04 hereof, shall contain an express statement that such obligations are junior and subordinate and the Bonds issued pursuant to this Resolution, and any additional parity bonds thereafter issued, as to lien on and source and security for payment from such Pledged Revenues.

SECTION 5.04. COMPLETION BONDS. The Board of Regents and the Division need not comply with Section 5.01 of this Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the 1992 Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 1992 Project at the time of the original issuance of the 1992 Bonds.

ARTICLE VI
COVENANTS

SECTION 6.01. PLEDGE OF PLEDGED REVENUES. The Board of Regents hereby covenants and agrees with the Holders of 1992 Bonds that, so long as any of the Bonds, or interest thereon, are Outstanding and unpaid, all of the Pledged Revenues provided for in this Resolution shall be pledged to the payment of the principal of and interest on the Bonds and the payment of Rebate Amounts, if any, in the manner provided in this Resolution and the Holders of the Bonds shall have a valid and enforceable senior lien on such Pledged Revenues in the manner provided herein.

SECTION 6.02. PLEDGED REVENUE COVENANTS. The Board of Regents covenants:

(A) That it will punctually pay the Pledged Revenues provided for in Section 6.01 of this Resolution in the manner and at the times provided in this Resolution and that it will duly and punctually perform and carry out all the covenants of the Board of Regents made herein and the duties imposed upon the Board of Regents by this Resolution.

(B) That in preparing, approving and adopting any budget controlling or providing for the expenditures of its funds for each budget period it will allocate, allot and approve from its Housing System Revenues and other available funds the amounts sufficient to pay the Pledged Revenues due under this Resolution.

(C) That it will from time to time recommend, fix and include in its budgets such revisions in the amounts of rentals and other fees to be levied upon and collected from each person housed in or using the Housing System which will produce sums sufficient to pay the amounts required by this Resolution.

(D) That it will continue to collect the rentals charged all regularly enrolled students and other tenants in the Housing System.

SECTION 6.03. FEES, RENTALS OR OTHER CHARGES. (A) The Board of Regents covenants that it will fix, establish and collect such fees, rentals or other charges 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 Housing System, and revise the same from time to time whenever necessary, so that the Housing System Revenues, after the payment of all amounts required for the 1967 Certificates, shall be sufficient in each Fiscal Year to pay at least one hundred percent (100%) of an amount equal to the Current Expenses and Administrative Expenses, and so that the Pledged Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent (100%) of an amount equal to the Annual Debt Service Requirement for the Bonds and at least one hundred percent (100%) of all other payments required by the terms of this Resolution.

(B) The Board of Regents and the University will increase such fees, rentals or other charges as shall be necessary to comply with the provisions of subsection (A), provided that such increase will not result in a reduction of the number of students living in the Housing System, or a reduction of Housing System Revenues for the then current or any future Fiscal Year.

(C) Whenever in any year the amounts of Housing System Revenues stated in the annual budget, as provided hereafter, for the ensuing Fiscal Year shall be insufficient to comply with the requirements of the above paragraph for such Fiscal Year, then it shall be the duty of the Board of Regents to increase such fees, rentals or other charges for the ensuing Fiscal Year in an amount sufficient to comply with the provisions of the above paragraph for such ensuing Fiscal Year, and any deficiencies in prior years.

SECTION 6.04. COMPLIANCE WITH TAX REQUIREMENTS: REBATE FUND. (A) In addition to any other requirement contained in this Resolution, the Division, the Board of Regents, and the Board of Administration hereby covenant and agree, for the benefit of the Holders from time to time of the Bonds, that each will comply with the requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder (the "Code") as shall be set forth in the non-arbitrage certificate of the Board of Regents dated and delivered on the date of original issuance and delivery of each series of Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the Division of Bond Finance and Board of Regents covenant and agree:

(i) to pay or cause to be paid to the United States of America from the Housing System Revenues and any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess (the "Rebate Amount");

(ii) to maintain and retain or cause to be maintained and retained all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(iii) to refrain from using proceeds from the Bonds in a manner that might cause the Bonds or any of them, to be classified as private activity bonds under Section 141(a) of the Code; and

(iv) to refrain from taking any action that would cause the Bonds, or any of them to become arbitrage bonds under Section 148 of the Code.

The Board of Regents, the Division and the Board of Administration understand that the foregoing covenants impose continuing obligations that will exist throughout the term of the issue to comply with the requirements of the Code.

(B) The Division of Bond Finance and Board of Regents covenant and agree that they shall maintain and retain or cause to be maintained and retained all records pertaining to and they shall be responsible for making and having made all determinations and calculations of the Rebate Amount for each Series of Bonds issued hereunder for each Rebate Year within thirty (30) days after the end of such Rebate Year and within thirty (30) days after the final maturity of each such Series of Bonds. On or before the expiration of each such thirty (30) day period, the Board of Regents shall deposit or direct the Board of Administration to deposit into the Rebate Fund which is hereby created and established in the Board of Administration, from investment earnings or moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Board, an amount equal to the Rebate Amount for such Rebate Year. The Board of Administration shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by subsection (A) of this Section, and as directed by the Board of Regents, which payments shall be made in installments, commencing not more than thirty (30) days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due except that the final payment shall be made within thirty (30) days after the final maturity of the last obligation of the Series of Bonds issued hereunder. In complying with the foregoing, the Division of Bond Finance and the Board of Regents may rely upon any instructions or opinions from a nationally recognized bond/tax counsel.

Notwithstanding anything in this Resolution to the contrary, to the extent moneys on deposit in the Rebate Fund are insufficient for the purpose of paying the Rebate Amount and other funds of the Board of Regents are not available to pay the Rebate Amount, then the Board of Administration shall pay the Rebate Amount first from Pledged Revenues and, to the extent the Pledged Revenues be insufficient to pay the Rebate Amount, then from moneys on deposit in any of the funds and accounts created hereunder.

If at any time the Division of Bond Finance or the Board of Regents determines that the amount of money on deposit in the Rebate Fund is in excess of the Rebate Amount, the Division of Bond Finance or the Board of Regents may direct the Board of Administration to transfer the amount of money in excess of the Rebate Amount to the University, for deposit in the Revenue Fund.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder and after payment in full to the United States in accordance with the terms hereof, such amounts shall be paid over to the Board of Regents and may be used for other purposes authorized by law.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Board of Regents and shall be subject to a lien in favor of the Bondholders, but only to secure payment of the Rebate Amount, and the moneys in the Rebate Fund shall be available for use only as herein provided.

The Division, the Board of Administration, and the Board of Regents shall not be required to continue to comply with the requirements of this Section in the event that the Division of Bond Finance and the Board of Administration receive an opinion of nationally recognized bond/tax counsel that (i) such compliance is no longer required in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement will comply with the provisions of the Code in respect of arbitrage rebate, or in the event that any other agency is subsequently designated by proper authority to comply with the requirements of this Section.

SECTION 6.05. ANNUAL FINANCIAL STATEMENT. (A) Annually, within ninety days after the end of the Fiscal Year, the University will prepare a financial statement of the Housing System for the preceding Fiscal Year, reflecting in reasonable detail the financial condition and record of operation of the Housing System, and other Pledged Revenue sources, including particularly the University's enrollment, the occupancy or degree of use and rates charged for the use of, and the insurance on, the Housing System and the status of the several accounts and funds established in this Resolution.

(B) Should the University fail to comply with subsection (A) of this Section, upon request of at least 5% of the Bondholders an audit shall be completed by a certified public accountant or firm of certified public accountants. The cost of this audit shall be borne by the University.

ARTICLE VII
REMEDIES

SECTION 7.01. ENFORCEABILITY BY BONDHOLDERS. (A) This Resolution, including the pledge of the Pledged Revenues, shall be deemed to have been made for the benefit of the holders from time to time of the Bonds, as defined herein, and that such pledge and all the provisions of this Resolution shall be enforceable in any court of competent jurisdiction by any holder or holders of such Bonds, against either the Board of Regents or the Board of Administration or any other agency of the State, or instrumentality thereof having any duties concerning collection, administration and disposition of the Pledged Revenues. The Board of Regents does hereby consent to the bringing of any proceedings in any court of competent jurisdiction by any Holder or Holders of the Bonds for the enforcement of all provisions of this Resolution and does hereby waive, to the extent permitted by law, any privilege or immunity from suit which it may now or hereafter have as an agency of the State. However, no covenant or agreement contained in this Resolution or any Bond issued pursuant hereto shall be deemed to be the covenant or agreement of any officer or employee of the State, in his or her or individual capacity and neither the officers nor employees of the State nor any official executing any of the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(B) Any Holders of the Bonds, or any trustee acting for the Holders of such Bonds, may by civil action in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, and by any applicable Statutes, to be performed by the Division of Bond Finance, the Board of Regents, the University, or the Board of Administration, or by any officer thereof, including the payment of the Pledged Revenues payable under this Resolution. Nothing herein, however, shall be construed to grant to any Holder of the Bonds any lien on the Housing System or any other facility or funds of the University, or the Board of Regents, or the Division of Bond Finance.

ARTICLE VIII
MISCELLANEOUS

SECTION 8.01. RESOLUTION NOT ASSIGNABLE. This Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Bondholders; provided, however, the Board of Regents may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board of Regents, to the extent that any such lease would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 8.02. MODIFICATION OR AMENDMENT. Except as otherwise provided in the second and third paragraph hereof, no material modification or amendment of this Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of (i) the Holders of more than fifty percent in principal amount of the Bonds then Outstanding or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, the Holders of more than fifty percent in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or affecting the promise to pay the interest of and principal on the Bonds, as the same mature or become due, or reduce the percentage of Holders of Bonds required above for such modification or amendments, without the consent of the Holders of all the Bonds.

For purposes of this Section, to the extent any Series of Bonds is insured by a Bond Insurance Policy and such Series of Bonds is then rated in as high a rating category as the rating category in which such Series of Bonds was rated at the time of initial issuance and delivery thereof by a Rating Agency, then the consent of the issuer of the Bond Insurance Policy shall constitute the consent of the Holders of such Series.

The Resolution may be amended, changed, modified and altered without the consent of the Holders of Bonds, (i) to cure any defect, omission, conflict, or ambiguity in this Resolution or between the terms and provisions hereof and any other document executed or delivered herewith, (ii) to provide other changes including such changes as may be necessary in order to adjust the terms hereof so as to facilitate the issuance of various types of Bonds including, but not limited to, Capital Appreciation Bonds, and any other Bonds which may be issued hereunder, which will not adversely affect the interest of such Holder of Bonds, (iii) to provide for the issuance of Bonds in coupon form if, in the opinion of a nationally recognized bond/tax counsel, such issuance will not affect the exemption from federal income taxation of interest on the Bonds, (iv) to obtain credit enhancements or a higher rating in one of the three highest full rating categories of a Rating Agency, (v) to add to the covenants and agreements of the Division or the Board of Regents in this Resolution, other covenants and agreements to be observed by the Division or the Board of Regents which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vi) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Division or the Board of Regents which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vii) to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualifications of the Bonds for sale under the securities laws of any of the states of the United States of America, (viii) to enable the Division and the Board of Regents to comply with their covenants, agreements and obligations under Section 6.04 hereof, (ix) to specify and determine any matters and things relative to the Bonds which are not contrary to or inconsistent with this Resolution and which shall not adversely affect the interests of the Bondholders, and (x) to amend or modify any provisions of this Resolution so long as such amendment or modification does not adversely affect the interests of the Bondholders.

SECTION 8.03. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Resolution or of the Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder.

SECTION 8.04. BONDS NOT STATE OBLIGATION. Notwithstanding any of the other provisions of this Resolution, the Bonds are not an obligation, directly or indirectly, of the State and no holder of the Bonds shall have the right to compel or require any appropriation by the Legislature of the State for payment of the Pledged Revenues due under this Resolution, or for the payment of the principal of or interest on the Bonds, or the making of any other payments provided for in this Resolution from State tax revenues.

The Bonds shall be revenue bonds, within the meaning of Section 11(d) of Article VII of the Florida Constitution, and shall be payable solely from funds derived directly from sources other than State tax revenues.

SECTION 8.05. NONPRESENTMENT OF BONDS: FUNDS HELD FOR BONDS AFTER DUE DATE OF BONDS. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Board of Administration for the benefit of the owner or Holder thereof, all liability of the Board of Regents to the owner or Holder thereof for the payment of such bond shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Board of Administration to hold such funds, without liability for interest thereon, for the benefit of the owner or Holder of such Bonds, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. Any such funds held by the Board of Administration for the Holders of such Bonds for seven years after the principal or Accreted Value of the respective Bonds for which such funds have been so set aside has become due and payable and remaining (whether at maturity or upon redemption or otherwise) shall be subject to the laws of the State of Florida relating to disposition of unclaimed property, and unless demand for the payment of such Bonds shall have been made, the obligation thereon shall be extinguished.

SECTION 8.06. DEFEASANCE. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(A) By paying the principal of and interest on Bonds when the same shall become due and payable; or

(B) By depositing with the Board of Administration, certain moneys which are irrevocably pledged to the payment of the Bonds and which, together with other moneys lawfully available therefor, shall be sufficient at the time of such deposit to pay when due the principal, redemption premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof; or

(C) By depositing with the Board of Administration, moneys which are irrevocably pledged to the payment of the Bonds and which, together with other moneys lawfully available therefor when invested in Defeasance Obligations, will provide moneys (principal and interest thereof at maturity) which shall be sufficient to pay the principal, redemption premium, if any, and interest due and to become due on said Bonds on or prior to a date fixed for redemption or the maturity date thereof. Upon such payment or deposit in the amount and manner provided in this section, Bonds shall be deemed to be paid and shall no longer be deemed to be Outstanding for the purposes of this Resolution and all liability of the Board of Regents or Division with respect to said Bonds shall cease, terminate and be completely discharged and extinguished, and the Holders thereof shall be entitled for payment solely out of the moneys or securities so deposited.

(D) Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any Series of Bonds, any portion of any Series of Bonds, any maturity or maturities of any Series of Bonds, any portion of a maturity of any Series of Bonds or any combination thereof.

(E) If any portion of the moneys deposited for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the Board of Regents or the Board of Administration may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

(F) Nothing herein shall be deemed to require the Board of Regents or Division of Bond Finance to call any of the Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Board of Regents or Division of Bond Finance in determining whether to exercise any such option for early redemption.

SECTION 8.07. INSURANCE. The Board of Regents will carry such insurance on the Housing System as is required by the State or is ordinarily and customarily carried on similar systems as the Housing System with a reputable insurance carrier or carriers, including public liability insurance and such other insurance against loss or damage by fire, explosion, hurricane, cyclone or other hazards and risks, or the Board of Regents may establish certain minimum levels of insurance for which the Board of Regents may self-insure.

SECTION 8.08. BOND ANTICIPATION NOTES. Notwithstanding any other provision of this Resolution, if the Division shall deem it advisable, short-term obligations (hereinafter "Notes") are hereby authorized to be issued by the Division on behalf of the Board of Regents in anticipation of the sale and delivery of 1992 Bonds. The Notes shall be payable from the proceeds received from the sale of the 1992 Bonds and, in the interim, from the Pledged Revenues. The Notes may be issued in such denomination or denominations, in the aggregate principal amount (not to exceed $17,400,000), in the form, may bear interest at the lawful rate or rates payable on such dates (not to exceed five (5) years from the date of issue) and may be subject to such conditions and terms as the Division shall deem necessary or desirable in connection with such Notes, all as shall be provided by resolution of the Division adopted at or before sale of the Notes, in accordance with Section 215.68(7), Florida Statutes.

SECTION 8.09. CAPITAL APPRECIATION BONDS. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) computing the amount of the Maximum Annual Debt Service and of Bonds held by the Registered Owner of a Capital Appreciation Bond in giving any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 8.10. TRUST FUNDS. (A) The funds and accounts established by this Resolution and all moneys on deposit therein shall constitute trust funds for their respective purposes as provided herein. The Sinking Fund shall be held and administered by the Board of Administration, and such funds shall be fully and continuously secured in the manner provided by the laws of the State for the securing of deposits of State funds. The Bondholders shall have a lien on moneys in the Sinking Fund, except the moneys in the Rebate Fund, until such moneys are used or applied as provided herein.

(B) The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

SECTION 8.11. FISCAL AGENT. Upon sale and delivery of the 1992 Bonds by the Division of Bond Finance on behalf of the Board of Regents, the Board of Administration shall act as the fiscal agent for the Board of Regents with respect to the 1992 Bonds.

SECTION 8.12. ANNUAL BUDGETS. The Board of Regents shall annually, at least ninety days preceding the beginning of each Fiscal Year, or at any other time as requested by the Board of Administration, prepare a detailed budget providing reasonable estimates of the estimated Current Expenses of the University during the succeeding Fiscal Year and setting forth the amount to be deposited in the Building Maintenance and Equipment Reserve Fund. The budget shall be adopted by the Board of Regents and shall not be changed during the Fiscal Year except by the same procedure by which it was adopted. Copies of the annual budget and any changes therein shall be filed with the Board of Administration and, upon request, mailed to any Bondholder. The Board of Regents shall request sufficient funds in the annual budget adopted as required in this Section to provide the payment of all Administrative Expenses, Current Expenses, and amounts required to be deposited in the Building Maintenance and Equipment Reserve Fund as set forth herein.

SECTION 8.13. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 1992 Bonds, pursuant to Chapter 75, Florida Statutes.

SECTION 8.14. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Resolution, to the extent that they are inconsistent with this Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

SECTION 8.15. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED on July 21, 1992.

A RESOLUTION AMENDING AND SUPPLEMENTING A RESOLUTION ADOPTED ON JULY 21, 1992, ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $24,000,000 STATE OF FLORIDA, BOARD OF REGENTS, UNIVERSITY OF CENTRAL FLORIDA STUDENT APARTMENT FACILITY REVENUE BONDS, SERIES 1992, TO FINANCE THE CONSTRUCTION OF A STUDENT APARTMENT FACILITY AT THE UNIVERSITY OF CENTRAL FLORIDA; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING UNIVERSITY OF CENTRAL FLORIDA REVENUE BOND ISSUES; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE"; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $19,455,000 STATE OF FLORIDA, BOARD OF REGENTS, UNIVERSITY OF CENTRAL FLORIDA HOUSING REVENUE BONDS, SERIES 1996, TO FINANCE THE CONSTRUCTION OF HOUSING FACILITIES AT THE UNIVERSITY OF CENTRAL FLORIDA; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION ON BEHALF OF AND IN THE NAME OF THE BOARD OF REGENTS OF THE DIVISION OF UNIVERSITIES OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION;

ARTICLE I
AUTHORITY AND DEFINITIONS

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes (the “State Bond Act”); Chapters 240 and 243, Florida Statutes, a resolution entitled "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $24,000,000 STATE OF FLORIDA, BOARD OF REGENTS, UNIVERSITY OF CENTRAL FLORIDA STUDENT APARTMENT FACILITY REVENUE BONDS, SERIES 1992, TO FINANCE THE CONSTRUCTION OF A STUDENT APARTMENT FACILITY AT THE UNIVERSITY OF CENTRAL FLORIDA; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING UNIVERSITY OF CENTRAL FLORIDA REVENUE BOND ISSUES; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE"; adopted by the Governing Board on July 21,1992, and other applicable provisions of law.

SECTION 1.02. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or as amended by definition contained herein, shall apply fully to the 1996 Bonds (as such terms are hereinafter defined):

"Additional Parity Bonds" shall mean any obligations hereafter issued pursuant to the terms and conditions of the Original Resolution and payable from the Pledged Revenues on a parity with the Bonds originally issued thereunder. Such Additional Parity Bonds shall be deemed to have been issued pursuant to the Original Resolution the same as the Bonds originally authorized and issued pursuant to the Original Resolution, and all of the applicable covenants and other provisions of the Original Resolution (except as to details of such Additional Parity Bonds inconsistent herewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds originally authorized and issued pursuant to the Original Resolution, and the Registered Owners of any Additional Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with the Original Resolution. All of such Additional Parity Bonds, regardless of the time or times of their issuance, shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference of any Bonds over any other. Additional Parity Bonds shall also include any outstanding indebtedness previously issued with respect to any housing facility which is being added to the University Housing System and which is secured by the revenues of such housing facility.

"Bonds" shall mean the Outstanding Bonds, the 1996 Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 of the Original Resolution.

"Housing System" shall mean the student living facilities of the University which are hereby defined as and shall include the following:

(1) The University's existing residence halls and apartments located in Orlando,Florida, on the campus of the University including the following facilities: Volusia Hall, Lake Hall, Osceola Hall, Polk Hall, Brevard Hall, Orange Hall, Seminole Hall, and the Lake Claire Courtyard Apartments;

(2) the 1996 Project; and

(3) such additional housing facilities as at some future date may be added to the Housing System.

"1996 Bonds" shall mean the not to exceed $19,455,000 State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 1996.

"1996 Project" shall mean the construction, furnishing and equipping of a housing facility located on the Orlando campus of the University of Central Florida as previously approved by the Board of Regents and the Legislature, and subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Regents.

"1996 Project Construction Fund" shall mean a trust fund in which shall be deposited the net proceeds of the 1996 Bonds and other available moneys for the construction of the 1996 Project.

"Project Costs" shall mean the actual costs of the 1996 Project, including costs of design and construction; materials, labor, furnishings, equipment and apparatus; sitework, roadways and parking facilities landscaping; interest on the Bonds for a reasonable period after the date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Regents necessary for the construction, renovation and placing in operation of the 1996 Project and the financing thereof.

"Original Resolution" shall mean the resolution of the Governor and cabinet as the Governing Board of the Division of Bond Finance adopted on July 21, 1992, authorizing the issuance of the Bonds.

"Outstanding Bonds" shall mean the State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992.

"Resolution" shall mean this resolution authorizing the issuance of the 1996 Bonds.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

Section 1.03. AMENDMENT OF THE ORIGINAL RESOLUTION. The Original Resolution is hereby amended as shown below (words, letters or punctuation marks ~~stricken~~ are deletions; words, letters or punctuation marks <u>underlined</u> are additions; underlined words, letters or punctuation marks appearing in the place of other words, letters or punctuation marks in the Original Resolution indicate a deletion of the replaced words, letters or punctuation marks).

(A) The following definitions in Section 1.04 of the Original Resolution are amended as follows:

"Annual Debt Service Requirement" shall mean, at any time, the amount of money required to pay the interest, principal and Amortization Installment in each Fiscal Year, provided that any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year

"Bond Registrar/Paying Agent" shall mean ~~Citibank~~, State Street Bank and Trust Co., N.A., New York, New York, or its successor.

"Completion Bonds" shall mean those Bonds issued pursuant to Sections 5.01 and 5.04 of the Resolution to pay the cost of completing ~~the 1992~~ a project.

"Pledged Revenues" shall mean the Housing System Revenues after deducting the Administrative Expenses, and the Current Expenses~~, the Rebate Amount and amounts required for the 1967 Certitifates~~.

"Reserve Requirement" or **"Debt Service Reserve Requirement"** shall mean~~, with respect to the 1992 Bonds the least of~~ as of any date of calculation for a particular debt service reserve subaccount within the Sinking Fund, an amount to be determined pursuant to resolution of the Governing Board, which amount shall not exceed the lesser of (1) the Maximum Annual Debt Service on the ~~1992~~ Bonds secured by such subaccount, (2) 125% of the average annual debt service of the Bonds secured by such subaccount, (3) 10% of the par amount of the ~~1992~~ Bonds secured by such subaccount, or (4) ~~an amount up to~~ the maximum debt service reserve permitted with respect to tax-exempt obligations under the U.S. Internal Revenue Code of 1986, as amended, with respect to the Bonds ~~for which the Reserve Requirement is being calculated~~ secured by such subaccount.

(B) Section 5.04 of the Original Resolution is amended to read:

SECTION 5.04. COMPLETION BONDS. The Board of Regents and the Division need not comply with Section 5.01 of ~~this~~ the Original Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into a ~~1992~~ project construction fund for such costs shall be equal to or less than 20% of the original estimated cost of the ~~1996~~ Project at the time of the original issuance of the ~~1996~~ Bonds.

SECTION 1.04. RESOLUTIONS TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds by those who shall be Registered Owners of the same from time to time, this Resolution and the Original Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Regents, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Regents and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the 1996 Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER AND ISSUANCE OF BONDS

SECTION 2.01. AUTHORIZATION OF 1996 BONDS. Subject and pursuant to the provisions of this Resolution, fully registered revenue bonds of the Board of Regents of the Division of Universities of the State of Florida Department of Education to be known as "State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 1996" (or such other descriptive designation as may be provided), are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Regents in an aggregate principal amount not to exceed Nineteen Million Four Hundred Fifty Five Thousand Dollars ($19,455,000), for the purpose of financing a portion of the cost of the 1996 Project.

SECTION 2.02. DESCRIPTION OF 1996 BONDS. The 1996 Bonds shall be issued in fully registered form without coupons; shall be dated as determined pursuant to a subsequent resolution of the Division of Bond Finance; shall be numbered consecutively from one upward and shall be in the denomination of $5,000 each or any integral multiples thereof; shall bear interest at not exceeding the maximum rate permitted by law, payable on each Interest Payment Date, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof; and shall mature on such dates in such years and amounts as shall be determined pursuant to a subsequent resolution adopted by the Division of Bond Finance on or prior to the sale of the 1996 Bonds.

The 1996 Bonds may be sold at one time or in Series from time to time as the Division of Bond Finance may determine pursuant to resolution. If issued in Series, each Series shall be dated and have an identifying number or letter. All of such 1996 Bonds, when issued, will rank equally as to source and security for payment.

Interest shall be paid on the Interest Payment Dates to the Registered Owner whose name appears on the books of the Bond Registrar/Paying Agent (the "Registered Owner") as of 5:00 p.m. (local time, New York, New York) on the Record Date next preceding such Interest Payment Date by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) from the Bond Registrar/Paying Agent to the Registered Owner, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof.

SECTION 2.03. 1996 BONDS MAY BE ISSUED AS SERIAL BONDS OR TERM BONDS. The 1996 Bonds may be issued as, or as a combination of, Serial Bonds, Term Bonds, Capital Appreciation Bonds or such other type of bonds as shall be determined pursuant to a subsequent resolution of the Division of Bond Finance.

SECTION 2.04. PRIOR REDEMPTION OF THE 1996 BONDS. The 1996 Bonds shall be subject to redemption as provided in this Resolution and in the Notice of Bond Sale, provided that prior to sale, the Director or the Secretary or an Assistant Secretary of the Governing Board is authorized to amend the redemption provisions of the 1996 Bonds in such manner as such official may determine to be in the best interest of the State.

Unless waived by any Registered Owner of a 1996 Bond to be redeemed, a notice of the redemption prior to maturity of any of the 1996 Bonds shall be mailed by first class mail (postage prepaid) at least thirty days prior to the date of redemption to the Registered Owner of the 1996 Bonds to be redeemed, of record on the books of the Bond Registrar, as of forty-five days prior to the date of redemption. Such notice of redemption shall specify the serial or other distinctive numbers or letters of the 1996 Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price thereof and, in the case of 1996 Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure to give any such notice by mailing to any Registered Owner of a 1996 Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any 1996 Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided above shall be conclusively presumed to have been given, whether or not the Registered Owner of such 1996 Bond receives such notice.

The privilege of transfer or exchange of any of the 1996 Bonds is suspended during a period beginning at the opening of business on the 15th business day next preceding the date fixed for redemption and ending at the close of business on the date fixed for redemption.

Notice having been given in the manner and under the conditions hereinabove provided, the 1996 Bonds or portions of 1996 Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such 1996 Bonds or portions of 1996 Bonds on such date. On the date so designated for redemption, notice having been given and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the Board of Administration, or the Bond Registrar/Paying Agent, in trust for the Registered Owners of the 1996 Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the 1996 Bonds or portions of 1996 Bonds so called for redemption shall cease to accrue, such 1996 Bonds and portions of 1996 Bonds shall cease to be Outstanding under the provisions of this Resolution and shall not be entitled to any lien, benefit or security under this Resolution, and the Registered Owners of such 1996 Bonds or portions of 1996 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof from the moneys held in trust for the payment thereof and, to the extent provided herein to receive 1996 Bonds for any unredeemed portion of the 1996 Bonds. Any and all 1996 Bonds redeemed prior to maturity shall be duly canceled by the Bond Registrar/Paying Agent and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Bond Registrar/Paying Agent as set out below, but no defect in said further notice nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all 1996 Bonds being redeemed; (ii) the date of issue of the 1996 Bonds as originally issued; (iii) the rate of interest borne by each 1996 Bond being redeemed; (iv) the maturity date of each 1996 Bond being redeemed; (v) the publication date of the official notice of redemption; (vi) the name and address of the Bond Registrar/Paying Agent; and (vii) any other descriptive information needed to identify accurately the 1996 Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five days before the redemption date by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the 1996 Bonds (such depositories now being The Depository Trust Company, New York, New York, Pacific Securities Depository Trust Company, San Francisco, California and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the 1996 Bonds.

(c) Each further notice of redemption shall be published one time in The Bond Buyer of New York, New York or in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the 1996 Bonds, such publication to be made at least thirty days prior to the date fixed for redemption.

(d) Upon the payment of the redemption price of 1996 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying the 1996 Bonds redeemed with the proceeds of such check or other transfer.

In case part but not all of an Outstanding 1996 Bond shall be selected for redemption, the Registered Owner thereof shall present and surrender such 1996 Bond to the Bond Registrar/Paying Agent for payment of the principal amount thereof so called for redemption, and the Bond Registrar/Paying Agent shall execute and deliver to or upon the order of such Registered Owner, without charge therefor, for the unredeemed balance of the principal amount of the 1996 Bond so surrendered, a 1996 Bond or 1996 Bonds fully registered as to principal and interest.

SECTION 2.05. BONDS NOT STATE OBLIGATIONS; NO PLEDGE OF FULL FAITH AND CREDIT OF STATE OF FLORIDA. Notwithstanding any of the other provisions of this Resolution, the payment of the principal of and interest on the Bonds is secured only by the Pledged Revenues, as defined herein, generated by the Housing System, in the manner set forth herein. The Bonds are not an obligation, directly or indirectly, of the State and no Registered Owner shall have the right to compel or require any appropriation by the Legislature of the State for payment of the Pledged Revenues due under this Resolution, or for the payment of the principal of or interest on the Bonds, or the making of any other payments provided for in this Resolution from State tax revenues.

The Bonds shall be revenue bonds, within the meaning of Section 11(d) of Article VII of the Florida Constitution, and shall be payable solely from funds derived directly from sources other than State tax revenues. The Bonds do not constitute general obligations or indebtedness of the State of Florida or any of its agencies and shall not be a debt of the State or of any agency, and the full faith and credit of the State is not pledged to the payment of principal of or interest on the Bonds.

SECTION 2.06. EXECUTION OF 1996 BONDS. The 1996 Bonds shall be executed in the name of the Board of Regents by its Chairman, and attested to by its Vice-Chairman, or such other authorized member of the Board of Regents, and the corporate seal of the Board of Regents or a facsimile thereof shall be affixed thereto or reproduced thereon. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the 1996 Bonds. In case any one or more of the officers who shall have signed or sealed any of the 1996 Bonds shall cease to be such officer of the Board of Regents before the 1996 Bonds so signed and sealed shall have been actually sold and delivered, the 1996 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 1996 Bonds had not ceased to hold such office. Any 1996 Bond may be signed and sealed on behalf of the Board of Regents by such person as to the actual time of the execution of such 1996 Bond shall hold the proper office, although at the date of such 1996 Bond, such person may not have held such office or may not have been so authorized.

A certificate as to Circuit Court validation, in the form hereinafter provided, shall be executed with the facsimile signature of any present or future Chairman of the Governing Board.

A certificate as to the approval of the issuance of the 1996 Bonds pursuant to the provisions of the State Bond Act, in the form provided herein, shall be executed by the facsimile signature of the Comptroller of the State of Florida, as Secretary of the Governing Board of the Division of Bond Finance.

SECTION 2.07. NEGOTIABILITY. The 1996 Bonds shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida. The original Registered Owner and each successive Registered Owner of any of the 1996 Bonds shall be conclusively deemed by the acceptance thereof to have agreed that the 1996 Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

SECTION 2.08. REGISTRATION AND TRANSFER. The 1996 Bonds shall be issued only as fully registered bonds without coupons. The Bond Registrar/Paying Agent shall be responsible for maintaining the books for the registration of and for the transfer of the 1996 Bonds in compliance with its agreement with the State.

Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any 1996 Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar/Paying Agent shall deliver in the name of the transferee or transferees a fully registered 1996 Bond of authorized denominations of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

All 1996 Bonds presented for transfer, exchange, redemption or payment shall be accompanied (if so required by the Division of Bond Finance or the Bond Registrar/Paying Agent) by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Division of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or by his duly authorized attorney.

Neither the Division of Bond Finance nor the Bond Registrar/Paying Agent may charge the Registered Owner or his transferee for any expenses incurred in making any exchange or transfer of the 1996 Bonds. However, the Division of Bond Finance and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses shall be paid before any such new Bond shall be delivered.

New 1996 Bonds delivered upon any transfer or exchange shall be valid obligations of the Board of Regents evidencing the same debt as the 1996 Bonds surrendered, shall be secured by this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the 1996 Bonds surrendered.

The Board of Regents and the Bond Registrar/Paying Agent may treat the Registered Owner of any 1996 Bond as the absolute owner thereof for all purposes, whether or not such 1996 Bond shall be overdue, and shall not be bound by any notice to the contrary.

Notwithstanding the foregoing provisions of this section, the Division of Bond Finance reserves the right, on or prior to the delivery of the 1996 Bonds, to amend or modify the foregoing provisions relating to registration of the 1996 Bonds in order to comply with all applicable laws, rules, and regulations of the United States and the State of Florida relating thereto.

SECTION 2.09. AUTHENTICATION. No 1996 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such 1996 Bond substantially in the form herein set forth shall have been duly executed by the manual signature of the Bond Registrar/Paying Agent, and such executed certificate of the Bond Registrar/Paying Agent upon any such 1996 Bond shall be conclusive evidence that such 1996 Bond has been authenticated and delivered under this Resolution. The Bond Registrar/Paying Agent's certificate of authentication on any 1996 Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar/Paying Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the 1996 Bonds issued hereinafter.

SECTION 2.10. DISPOSITION OF 1996 BONDS PAID OR EXCHANGED. Whenever any 1996 Bond shall be delivered to the Bond Registrar/Paying Agent for cancellation, upon payment of the principal amount thereof or for replacement or transfer or exchange, such 1996 Bond shall either be canceled and retained by the Bond

Registrar/Paying Agent for a period of time specified in writing by the Division of Bond Finance or the Board of Administration, or, at the option of the Division of Bond Finance or the Board of Administration, shall be canceled and destroyed by the Bond Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Division of Bond Finance or the Board of Administration.

SECTION 2.11. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any 1996 Bond shall become mutilated, or be destroyed, stolen or lost, the Division of Bond Finance may in its discretion issue and deliver a new Bond of like tenor as the 1996 Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated 1996 Bond, upon surrender and cancellation of such mutilated 1996 Bond or in lieu of and substitution for the 1996 Bond destroyed, stolen or lost, and upon the Registered Owner furnishing the Division of Bond Finance proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Division of Bond Finance may prescribe and paying such expense as the Division of Bond Finance may incur. All 1996 Bonds so surrendered shall be canceled by the Bond Registrar/Paying Agent. If any such 1996 Bond shall have matured or be about to mature, instead of issuing a substitute 1996 Bond, the Division of Bond Finance may pay the same, upon being indemnified as aforesaid, and if such 1996 Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate 1996 Bond issued pursuant to this section shall constitute original, additional, contractual obligations on the part of the Board of Regents, whether or not the lost, stolen or destroyed 1996 Bond be at any time found by anyone and such duplicate 1996 Bond shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Resolution from the Pledged Revenues.

SECTION 2.12. FORM OF 1996 BONDS. The text of the 1996 Bonds, together with the validation certificate to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

[FORM OF BOND INTENTIONALLY OMITTED]

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 1996 PROJECT. The Board of Regents is authorized to cause the construction of the 1996 Project from the proceeds derived from the sale of the 1996 Bonds and other legally available funds, subject to the provisions of this Resolution and the applicable laws of the State.

SECTION 3.02. APPLICATION OF 1996 BOND PROCEEDS. Upon receipt of the proceeds of the sale of the 1996 Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 1996 Bonds, including a reasonable charge for the Division of Bond Finance's services, the Division of Bond Finance shall transfer and deposit the remainder of the 1996 Bond proceeds as follows:

(1) An amount which, together with other moneys available therefor and on deposit in the Reserve Account, is equal to the Reserve Requirement shall be transferred to the Board of Administration and deposited into the Reserve Account in the Sinking Fund, to be used solely for the purpose of the Reserve Account. Alternatively, the Division of Bond Finance, as provided in Section 4.02(B)of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds, a Reserve Account Credit Facility in an amount equal to the difference between the Debt Service Reserve Requirement and the sums then on deposit in the applicable sub-account in the Reserve Account.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited into the Sinking Fund, created by the Original Resolution, and used for the payment of interest on the 1996 Bonds.

(3) After making the transfers provided for in (1) and (2) above, the balance of the proceeds of the Bonds shall be transferred to and deposited into the 1996 Project Construction Fund, which is hereby created in the State Treasury, and used for the purposes of said 1996 Project Construction Fund.

Any unexpended balance remaining in the 1996 Project Construction Fund, after a consulting architect shall certify that the 1996 Project has been completed and all costs thereof paid or payment provided for, shall be deposited into the Sinking Fund created by the Original Resolution.

In addition to the aforementioned proceeds of the 1996 Bonds, the Board of Regents covenants that it will deposit into the 1996 Project Construction Fund additional funds legally available for such purpose which, together with the proceeds of the 1996 Bonds, will be sufficient to finance the total 1996 Project Costs. Any such additional funds, other than the proceeds of the 1996 Bonds or Completion Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the Bonds issued pursuant to this Resolution and the Original Resolution.

All moneys in said 1996 Project Construction Fund, or in any other construction fund hereafter created for any project hereafter financed in whole or in part from the proceeds of Additional Parity Bonds as provided herein, shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the Registered Owners of Bonds issued pursuant to this Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of State funds.

SECTION 3.03. INVESTMENT OF 1996 PROJECT CONSTRUCTION FUND. Any moneys in the 1996 Construction Fund not immediately needed for the purposes provided in this Resolution, may be temporarily invested and reinvested as provided in Section 18.10, Florida Statutes.

ARTICLE IV
SECURITY FOR THE 1996 BONDS; COMPLETION BONDS

SECTION 4.01. 1996 BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The 1996 Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The 1996 Bonds shall be deemed to have been issued pursuant to the Original Resolution as fully and to the same extent as the Outstanding Bonds and all of the covenants and agreements contained in the Original Resolution shall be deemed to have been made for the benefit of the holders of the 1996 Bonds as fully and to the same extent as the holders of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, except to the extent inconsistent herewith, shall be deemed to be part of this Resolution to the same extent as if incorporated verbatim in this Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the holders of the 1996 Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. LEASE OF HOUSING SYSTEM. The Board of Regents may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board of Regents, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.03 CONTINUING DISCLOSURE. (A)In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Regents hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(B) The Director of the Division of Bond Finance, in conjunction with the appropriate officer of the Board of Regents, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Resolution or of the Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder.

SECTION 5.05. BOND ANTICIPATION NOTES. Notwithstanding any other provision of this Resolution, if the Division of Bond Finance shall deem it advisable, short-term obligations (hereinafter "Notes") are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Regents in anticipation of the sale and delivery of the 1996 Bonds. The Notes shall be payable from the proceeds received from the sale of the 1996 Bonds and, in the interim, from the Pledged Revenues. The Notes may be issued in such denomination or denominations, in the aggregate principal amount (not to exceed $19,455,000), in the form, may bear interest at the lawful rate or rates payable on such dates (not to exceed five years from the date of issue) and may be subject to such conditions and terms as the Division of Bond Finance shall deem necessary or desirable in connection with such Notes, all as shall be provided by resolution of the Division of Bond Finance adopted at or before sale of the Notes, in accordance with Section 215.68(7), Florida Statutes.

SECTION 5.06. FISCAL AGENT. Upon sale and delivery of the Bonds by the Division of Bond Finance on behalf of the Board of Regents, the Board of Administration shall act as the fiscal agent for the Board of Regents with respect to the 1996 Bonds.

SECTION 5.07. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 1996 Bonds, pursuant to Chapter 75, Florida Statutes.

SECTION 5.08. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Resolution, to the extent that they are inconsistent with this Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

SECTION 5.09. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED May 29, 1996.

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APPENDIX D

A RESOLUTION (THE THIRD SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING $17,500,000 STATE OF FLORIDA, FLORIDA BOARD OF EDUCATION, UNIVERSITY OF CENTRAL FLORIDA HOUSING REVENUE REFUNDING BONDS, SERIES 2002, REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE UNIVERSITY; AMENDING AND SUPPLEMENTING THE ORIGINAL RESOLUTION; CANCELLING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA ON BEHALF OF AND IN THE NAME OF THE FLORIDA BOARD OF EDUCATION:

ARTICLE I
DEFINITIONS, AUTHORITY AND FINDINGS

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Resolution, (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and the 2002 Bonds (as defined herein).

"1992 Bonds" means the State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992.

"2002 Bonds" means the State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002.

"Assistant Secretary" means an Assistant Secretary of the Division of Bond Finance.

"Board of Regents" means the Board of Regents of the Division of Universities of the State of Florida Department of Education, as originally created pursuant to provisions of Chapter 240, Florida Statutes, and subsequently abolished by the Reorganization Act.

"Bond Registrar/Paying Agent" means State Street Bank and Trust Company, N.A., New York, New York, or its successor.

"Bond Year" means, with respect to a particular Series of bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division of Bond Finance selects another date on which to end a Bond Year in the manner permitted by the Code.

"Code" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Director" means the Director of the Division of Bond Finance and shall include an Assistant Secretary to whom the Director delegates authority.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement to be entered into by the Division of Bond Finance and the Board of Administration which shall govern and provide for the payment and retirement of the Refunded Bonds.

“First Supplemental Resolution” means the resolution authorizing the issuance of not to exceed $19,455,000 State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 1996.

“Florida Board of Education” means the Florida Board of Education, or its lawful successors. The Florida Board of Education is a body corporate, established pursuant to the Reorganization Act, which corporate body was the recipient transferee of certain powers, duties, and existing contracts, of the Board of Regents, which latter board was abolished on July 1, 2001, by the Reorganization Act. On January 7, 2003, pursuant to Chapter 2002-387, Laws of Florida, the Florida Board of Education is scheduled to become the State Board of Education authorized in Article IX, Section 2 of the Florida Constitution. However, also on January 7, 2003, Article IX, Section 7 will be added to the Florida Constitution, creating a separate board of governors for the State university system. To the extent that powers currently vested in the Florida Board of Education are transferred to the board of governors, “Florida Board of Education” shall include the board of governors.

“Housing System” means the student living facilities of the University which are hereby defined as and shall include the following:

(1) the University’s existing residence halls and apartments located in Orlando, Florida, on the campus of the University including the following facilities: Volusia Hall, Lake Hall, Osceola Hall, Polk Hall, Brevard Hall, Orange Hall, Seminole Hall, the Lake Claire Courtyard Apartments, Sumpter Hall, Flagler Hall, Citrus Hall, Academic Villages I, and Academic Villages II; and

(2) such additional housing facilities as at some future date may be added to the Housing System by the Florida Board of Education.

"Original Resolution" means the resolution adopted on July 21, 1992 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds.

“Outstanding Bonds” means the Outstanding Bonds of the State of Florida Board of Regents University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992 and the State of Florida Board of Regents University of Central Florida Housing Revenue Bonds, Series 1996, Series 1999 and Series 2000.

“Refunded Bonds” means all or a portion of the State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992 to be refunded by the 2002 Bonds.

“Reorganization Act” means the Florida Education Governance Reorganization Implementation Act, Chapter 2001-170, Laws of Florida, pursuant to which the Board of Regents was abolished as of July 1, 2001 and its powers were transferred to the Florida Board of Education.

“Resolution” means the Original Resolution as amended and supplemented by the First Supplemental Resolution and this resolution, and as supplemented by the Second Supplemental Resolution.

“Second Supplemental Resolution” means the resolution authorizing the issuance of not exceeding $60,340,000 State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, (Various Series)[Academic Villages Project].

“State Board of Education” means the corporate body identified in Article IX, Section 2, of the Florida Constitution, as the state board of education. In accordance with Chapter 2002-387, Laws of Florida, effective January 7, 2003, the Florida Board of Education will cease to exist and is scheduled to become the State Board of Education and as such will be responsible for all existing bond obligations of the Florida Board of Education and its predecessor, the Board of Regents. By such law, the State Board of Education will have all powers necessary to carry out and effectuate the issuance of bonds pursuant to Article VII, Section 11 (d), of the Florida Constitution including the issuance of the 2002 Bonds.

“**Third Supplemental Resolution**” means this resolution authorizing the issuance and competitive sale of the 2002 Bonds.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Third Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes (the "State Bond Act"); Chapters 229, 240 and 243, Florida Statutes; Chapter 2002-387, Laws of Florida; and other applicable provisions of law; and pursuant to the Resolution; and constitutes a resolution authorizing bonds pursuant to the State Bond Act.

SECTION 1.03. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Florida Board of Education is authorized to acquire, own, construct, operate, maintain, improve and extend public buildings and facilities for use by any of the several State universities, and to finance and refinance such improvements; and the Florida Board of Education is further authorized to pay the principal of and interest on obligations issued on its behalf to finance or refinance the construction and acquisition of such improvements.

(B) The Governing Board of the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") has previously issued Bonds pursuant to the Original Resolution, the First Supplemental Resolution, and the Second Supplemental Resolution.

(C) Section 5.02 of the Original Resolution provides for issuance of refunding bonds secured by a lien on the Pledged Revenues which shall be on a parity with the Outstanding Bonds' lien on the Pledged Revenues.

(D) The Florida Board of Education, by resolution adopted on October 24, 2002, has requested the Division of Bond Finance to issue bonds to refund all or a portion of the 1992 Bonds.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue, on behalf of the Florida Board of Education, the 2002 Bonds to refund all or a portion of the 1992 Bonds (the "Refunded Bonds").

(F) Upon the issuance and delivery of the 2002 Bonds, sufficient moneys will be deposited in escrow pursuant to an Escrow Deposit Agreement to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds and to pay the fees and expenses to be incurred in connection with the payment and retirement of such Refunded Bonds, in the manner provided herein. The Division of Bond Finance and the Board of Administration will enter into an Escrow Deposit Agreement prior to the issuance of the 2002 Bonds.

(G) The principal of and interest on the 2002 Bonds will be payable solely from the Pledged Revenues accruing to and to be received by the Florida Board of Education or the University of Central Florida (the "University") in the manner provided by the Resolution.

(H) The 2002 Bonds shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues. The 2002 Bonds shall be payable on a parity and shall rank equally with the unrefunded Outstanding Bonds in all respects, including but not limited to, the lien on the Pledged Revenues.

(I) Pursuant to the statutes and constitutional provisions herein cited, including Sections 215.59, 215.64, and 215.79, Florida Statutes, the Division of Bond Finance is authorized to issue revenue bonds, including the 2002 Bonds, for the purpose of refunding any Outstanding Bonds, in the name of the Florida Board of Education, subject to the terms, limitations and conditions contained in the Resolution.

(J) It is necessary and desirable to make additional amendments to the Resolution in order to clarify the rights of the issuer of a Bond Insurance Policy with respect to the Bonds.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 2002 Bonds by the Registered Owners, the Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Florida Board of Education, the University and such Registered Owners. The covenants and agreements to be performed by the Florida Board of Education and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the 2002 Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE, FORM OF BONDS, AND AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF 2002 BONDS. (A) Subject and pursuant to the provisions of the Resolution, fully registered revenue bonds of the Florida Board of Education to be known as "State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002" (or such other designation as may be determined by the Director), are hereby authorized to be issued and to be sold at public sale in an aggregate principal amount not exceeding $17,500,000 on a date and at the time to be set out or provided for in the notice of bond sale to be published as provided in this Third Supplemental Resolution. The 2002 Bonds shall be sold to refund all or a portion of the 1992 Bonds (the "Refunded Bonds"). The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to (i) publish the notice of bond sale of the 2002 Bonds, or an abbreviated version thereof, in *The Bond Buyer*, New York, New York, or in some other established financial newspaper or journal, such publication to be not less than 10 days prior to the date of sale (provided, that if no bids are received at the time and place called for in the notice of bond sale, or if all bids received are rejected, such 2002 Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director) and (ii) determine the most advantageous date and time of a public sale which is to be set out or provided for in the notice of bond sale. Bids for the purchase of the 2002 Bonds will be received at the office of the Division of Bond Finance or at another location designated in the notice of bond sale, until the time and date of sale specified or provided for in the notice of bond sale. Any prior publication of a notice of bond sale, or abbreviated version thereof, is hereby ratified.

(C) The Director is hereby authorized to publish and distribute a notice of bond sale and a proposal for the sale of the 2002 Bonds. The notice of bond sale shall be in such form as shall be determined by the Director and shall contain such information as consistent with the terms of the Resolution which the Director determines is in the best financial interest of the State. Any prior distribution of a notice of bond sale and proposal for sale is hereby ratified.

(D) The Director is hereby authorized to prepare and distribute preliminary and final official statements in connection with the public offering of the 2002 Bonds. The Director is further authorized and directed to amend, supplement or complete the information contained in the preliminary official statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chairman, the Director, and the members of the Governing Board are hereby authorized to execute the final official statement in connection with the public offering of the 2002 Bonds, and the execution thereof by any of the authorized individuals shall be conclusive evidence that the Governing Board has approved the form and content of the final official statement and that the final official statement is complete as of its date.

(E) The Director is hereby authorized to have up to 1,500 copies of the preliminary official statement and 3,500 copies (plus such additional copies as may be requested by the successful bidder at the expense of the successful bidder) of the final official statement relating to the public offering of the 2002 Bonds printed and distributed; to contract with national rating services; to make a determination that the preliminary official statement is "deemed final" for purposes of SEC Rule 15c2-12(b)(1); to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the 2002 Bonds. Any prior printing and distribution of a preliminary official statement is hereby ratified.

(F) The Director is hereby authorized and empowered to award said 2002 Bonds when offered, on his or her determination of the best proposal, as defined in the notice of bond sale, submitted in accordance with the terms of the notice of bond sale provided for herein, and such award shall be final. The Director shall report such sale to the Governing Board after award of the 2002 Bonds. The Director is authorized to deliver such 2002 Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the 2002 Bonds as provided by this resolution and other proceedings authorizing the issuance of the 2002 Bonds.

(G) The 2002 Bonds shall be executed in the name of the Florida Board of Education by its Chairman, and attested to by its Secretary, or, in either case, by such other person authorized by the Florida Board of Education, and the corporate seal of the Florida Board of Education or a facsimile thereof may be affixed thereto. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the 2002 Bonds. In case any one or more of the officers who shall have signed or sealed any of the 2002 Bonds shall cease to be such officer before the 2002 Bonds so signed and sealed shall have been actually sold and delivered, the 2002 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2002 Bonds had not ceased to hold office.

(H) A certificate as to the approval of the issuance of the 2002 Bonds, shall be executed by the facsimile signature of the Secretary of the Governing Board of the Division of Bond Finance, an Assistant Secretary, or as otherwise provided by law.

(I) Until definitive obligations are ready for delivery, there may be executed and delivered to the purchasers, in lieu of definitive obligations and subject to the same limitations and conditions, one or more temporary 2002 Bonds, in one or more denominations totaling the aggregate principal amount of the 2002 Bonds to be issued, maturing in installments and bearing interest with respect to each installment, in substantially the same tenor as otherwise herein authorized for the 2002 Bonds, and with such omissions, insertions and variations as may be required. If temporary obligations are issued, the definitive obligations will be prepared and executed and, upon presentation of temporary obligations, the Director shall provide for cancellation of the temporary obligations and deliver to the holders thereof definitive obligations of an equal aggregate principal amount, bearing appropriate characteristics as herein authorized and as sold to the purchasers thereof. Until so exchanged, the temporary obligations shall in all respects be entitled to the same benefit and security as the definitive obligations. Interest and principal installments on the temporary obligations, when due and payable, if the definitive obligations are not then ready for exchange, shall be paid upon presentation of the temporary obligations to the Registrar/Paying Agent, and notation of such payment shall be endorsed thereon. The temporary obligations shall be in such form and denominations as shall be determined by the Director, and shall be executed by the officers who will execute the definitive obligations, which execution is hereby authorized.

(J) State Street Bank and Trust Company, N.A., or its successor, is hereby designated as Bond Registrar/Paying Agent for the 2002 Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the State Board of Administration of Florida and State Street Bank and Trust Company, N.A. or its successor.

(K) The Interest Payment Dates and the Principal Payment Dates for the 2002 Bonds shall be as set forth in the notice of bond sale. Interest on the 2002 Bonds shall be paid by check or draft mailed on the Interest Payment Date (or, in certain cases, may be paid by wire transfer at the election of a Registered Owner, other than a securities depository, in the manner and under the terms provided for in the State's agreement with the Bond Registrar/Paying Agent, provided that such Registered Owner advances to the Bond Registrar/Paying Agent the amount, if any, necessary to pay the wire charges or authorizes the paying agent to deduct the amount of such payment) to the Registered Owner thereof as of 5:00 pm New York time on the Record Date shown on the registration books maintained by the Bond Registrar/Paying Agent for the 2002 Bonds.

(L) The 2002 Bonds shall be dated, shall mature in such years and amounts and shall bear interest commencing on such date as set forth or provided for in the notice of bond sale, a copy of which, as published, shall be retained in the files of the Division of Bond Finance with this Third Supplemental Resolution. The 2002 Bonds shall be issued in denominations of $5,000 or any integral multiple thereof unless otherwise provided in the notice of bond sale. The 2002 Bonds shall be payable at the corporate trust office of State Street Bank and Trust Company, N.A., New York, New York, or its successor.

(M) The 2002 Bonds shall be subject to redemption as provided in the notice of bond sale. The notice of bond sale shall contain such redemption provisions as shall be determined by the Director to be in the best financial interest of the State. Upon election by the successful bidder as provided in the notice of bond sale, a portion of the 2002 Bonds identified in such election may be designated as Term Bonds. Additionally, in lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices.

(N) The incremental increase in the Reserve Requirement attributable to the 2002 Bonds shall be funded with proceeds of the 2002 Bonds, amounts previously on deposit in the Reserve Account on behalf of the Refunded Bonds, a Reserve Account Credit Facility, or some combination thereof, as determined by the Director. The incremental increase in the Reserve Requirement attributable to the 2002 Bonds shall be deposited in the sub-account in the Reserve Account established with respect to the Outstanding Bonds. Amounts on deposit in such sub-account may be commingled with amounts deposited for Bonds of additional Series and shall be held for the benefit of the Registered Owners of the Outstanding Bonds, the 2002 Bonds, and such other Bonds.

(O) Any portion of the 2002 Bonds may be issued as a separate series, provided that the 2002 Bonds of each series shall be numbered consecutively from one upward. The 2002 Bonds referred to herein may be sold separately or combined with any other Florida Board of Education bond issues authorized by the Division of Bond Finance to be sold.

(P) The Director is hereby authorized to offer for sale a lesser principal amount of 2002 Bonds than that set forth in this resolution and to adjust the maturity schedule and redemption provisions for the 2002 Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the notice of bond sale as may be required. Any portion of the 2002 Bonds not offered shall remain authorized to be offered at a later date.

(Q) The Director is authorized to provide in the notice of bond sale of the 2002 Bonds that the purchase price for the 2002 Bonds may include a discount of not to exceed 3%, excluding original issue discount, if any, of the aggregate principal amount of such 2002 Bonds offered for sale.

(R) The Chairman, Secretary, any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division of Bond Finance as may be designated by the Governing Board as agents of the Division of Bond Finance in connection with the issuance and delivery of the 2002 Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division of Bond Finance, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the 2002 Bonds, including but not limited to, contracting with a consultant to verify escrow calculations of the 2002 Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the 2002 Bonds, and providing for redemption of the Refunded Bonds.

(S) That, notwithstanding anything contained in the Resolution to the contrary, it is the intent of the Division of Bond Finance that interest on the 2002 Bonds be and remain excluded from gross income for federal income tax purposes and therefore to comply with all requirements of federal tax law applicable to the 2002 Bonds, or any series thereof, whether such requirements are now in effect, pending or subsequently enacted. The Division of Bond Finance is hereby authorized and directed to take all actions necessary with respect to the 2002 Bonds and each series thereof to comply with such requirements of federal tax law.

SECTION 2.02. AUTHORIZATION TO EXECUTE AND DELIVER AN ESCROW DEPOSIT AGREEMENT; DESIGNATION OF ESCROW AGENTS. The Chairman and Secretary or an Assistant Secretary of the Governing Board and such other officers and employees of the Division of Bond Finance as may be designated by the Governing Board as agents of the Division of Bond Finance is hereby each authorized to execute and deliver an Escrow Deposit Agreement on behalf of the Division of Bond Finance in such form as may be determined by the Director for the purpose of providing for the deposit of a portion of the proceeds of the 2002 Bonds and such other funds as determined to be necessary into an escrow deposit trust fund for the refunding and defeasance of the Refunded Bonds pursuant to the requirement of Section 8.06 of the Original Resolution. The State Board of Administration is hereby designated and appointed as the Escrow Agent (the "Escrow Agent") under the Escrow Deposit Agreement.

SECTION 2.03. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Third Supplemental Resolution, the terms, description, execution, negotiability, redemption, authentication, disposition, replacement, registration, transfer, issuance and form of the 2002 Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the 2002 Bonds.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. APPLICATION OF 2002 BOND PROCEEDS. Upon receipt of the proceeds of the sale of the 2002 Bonds the Division of Bond Finance shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, issuance, and sale of the 2002 Bonds, including a reasonable charge for the services of the Division of Bond Finance for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division of Bond Finance and deposited in the Bond Fee Trust Fund.

(B) Any accrued interest on the 2002 Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund, and used for the payment of interest on the 2002 Bonds.

(C) An amount necessary to fund the incremental increase in the Reserve Requirement attributable to the 2002 Bonds, to be held in reserve, shall be transferred to the Board of Administration and deposited in the Reserve Account within the Sinking Fund. Alternatively, the Division of Bond Finance, as provided in Section 4.02 of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Account.

(D) An amount together with the interest earnings thereon, and other amounts deposited therein which will be sufficient to pay when due (1) the principal amount of the Refunded Bonds, (2) the amount of interest and redemption premium payable on the Refunded Bonds, and (3) the amount of fees and expenses estimated by the Board of Administration to be incurred in connection with the payment and retirement of the Refunded Bonds shall be transferred and deposited in escrow pursuant to the terms of the Escrow Deposit Agreement.

(E) Any balance of the proceeds of the 2002 Bonds after providing for the requirements of subsections (A) through (D) above shall be transferred to the Sinking Fund and used for the purposes set forth therein.

ARTICLE IV
SECURITY FOR THE BONDS

SECTION 4.01. 2002 BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The 2002 Bonds shall be payable on a parity, and rank equally as to lien on and source and security for payments from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

SECTION 4.02. 2002 BONDS SECURED BY ORIGINAL RESOLUTION. The 2002 Bonds shall be deemed to have been issued pursuant to the Original Resolution, as amended and supplemented by the First and Second Supplemental Resolutions, as fully and to the same extent as the Outstanding Bonds, and all of the covenants and agreements contained in the Original Resolution, as amended and supplemented, shall be deemed to have been made for the benefit of the Registered Owners of the 2002 Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, as amended and supplemented, except to the extent inconsistent herewith, shall be deemed to be part of this Third Supplemental Resolution to the same extent as if incorporated verbatim in this Third Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, as amended and supplemented, by any of the Registered Owners of the 2002 Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 1.04 of the Original Resolution is hereby amended as follows:

SECTION 1.04. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

. . .

(GG) "Outstanding" shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:

. . . .

(v) Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount of such payment has been reimbursed to the issuer of such Bond Insurance Policy (or monies have been deposited to defease such payment).

. . . .

(B) Section 7.01 of the Original Resolution is amended by adding Subsection (C) thereto, as follows:

SECTION 7.01. ENFORCEABILITY BY BONDHOLDERS

. . . .

(C) For purposes of exercising remedies pursuant to this section, the issuer of a Bond Insurance Policy for Bonds issued after November 26, 2002, shall be deemed the sole Holder of Bonds it has insured, provided that the issuer of such Bond Insurance Policy has not failed to comply with its payment obligations under the Bond Insurance Policy and the ratings on the insured Bonds, based on the Bond Insurance Policy, are no lower than the "A" category by each Rating Agency which has rated such Bonds, including any rating modifiers.

(C) Section 8.06 of the Original Resolution is amended as follows:

SECTION 8.06 DEFEASANCE.

. . .

(G) Notwithstanding the foregoing, the covenants, liens and pledges entered into, created or imposed pursuant to the Resolution shall not be discharged and satisfied with respect to any of the Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount so paid has not been reimbursed to the issuer of such Bond Insurance Policy (or monies have not been deposited as set forth above to provide for payment of such amounts). The bond insurer shall be subrogated to the rights of the Holders of Bonds with respect to which it has made payments pursuant to a Bond Insurance Policy.

SECTION 5.02. RESOLUTION NOT ASSIGNABLE. This Third Supplemental Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Florida Board of Education may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Florida Board of Education, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 5.03. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.04. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Florida Board of Education agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(B) The Director, in conjunction with the appropriate officer of the Florida Board of Education, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 5.05. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Third Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Third Supplemental Resolution or of the 2002 Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Third Supplemental Resolution or of the 2002 Bonds issued hereunder.

SECTION 5.06. FISCAL AGENT. Upon the sale and delivery of the 2002 Bonds by the Division of Bond Finance on behalf of the Florida Board of Education, the Board of Administration shall act as the fiscal agent for the Florida Board of Education with respect to the 2002 Bonds.

SECTION 5.07. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Third Supplemental Resolution, to the extent that they are inconsistent with this Third Supplemental Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

The authority for the issuance and delivery of the unissued portion of the State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 1999, and 2000 is hereby canceled.

SECTION 5.08. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Resolution to offices, bodies, or agencies which have been or are superceded, replaced or abolished by law shall be deemed to refer to the successors of such offices, bodies, and agencies. Any action required or authorized to be taken by an official whose office, body, or agency has been or is so superceded, replaced, or abolished shall be taken by the successor to such official.

SECTION 5.09. CONFIRMATION OF ORIGINAL RESOLUTION. As supplemented and amended by this Third Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Third Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.10. EFFECTIVE DATE. This Third Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on November 26, 2002.

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A RESOLUTION OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA AMENDING A RESOLUTION ADOPTED ON JULY 21, 1992, ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $24,000,000 STATE OF FLORIDA, BOARD OF REGENTS, UNIVERSITY OF CENTRAL FLORIDA STUDENT APARTMENT FACILITY REVENUE BONDS, SERIES 1992, TO FINANCE THE CONSTRUCTION OF A STUDENT APARTMENT FACILITY AT THE UNIVERSITY OF CENTRAL FLORIDA; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING UNIVERSITY OF CENTRAL FLORIDA REVENUE BOND ISSUES; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE" (THE "ORIGINAL RESOLUTION"); AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on July 21, 1992, the Governing Board of the Division of Bond Finance (the "Governing Board") adopted a resolution authorizing the issuance of State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992, in an amount not exceeding $24,000,000 (the "Original Resolution"), which resolution was amended and supplemented on May 29, 1996, and on November 26, 2002;

WHEREAS, further amendments are desired to be made to the Original Resolution; and

WHEREAS, Section 8.02 of the Original Resolution provides that the desired amendments made be made upon the receipt of consents to said amendments from the issuers of Bond Insurance Policies insuring all of the Outstanding Bonds, and such consents have already been obtained;

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

SECTION 1. DEFINITIONS. Any capitalized terms not defined in this resolution shall have the same meaning as in the Original Resolution, as amended and supplemented through the date of this resolution.

SECTION 2. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by <u>underlining</u>, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 5.01 of the Original Resolution is amended as follows:

SECTION 5.01. ISSUANCE OF ADDITIONAL PARITY BONDS. The Division of Bond Finance is authorized to issue additional parity Bonds after the issuance of the 1992 Bonds authorized by this Resolution, but only upon the following terms, restrictions and conditions:

(A) The proceeds from such additional parity Bonds shall be used to acquire and construct capital additions or improvements to the Housing System.

(B) All previously authorized certificates or bonds shall have been issued and delivered, or authority for the issuance and delivery of any unissued portion thereof shall have been cancelled.

(C) The Board of <u>Governors</u> ~~Regents~~ shall authorize the issuance of such additional parity Bonds.

(D) The Board of Administration shall approve the fiscal sufficiency of such additional parity Bonds.

(E) Certificates shall be executed by the Board of <u>Governors</u> ~~Regents~~ or other appropriate State official setting forth:

(1) the average amount of Pledged Revenues from the two Fiscal Years immediately preceding the issuance of the proposed additional parity Bonds, and;

(2) ~~(i) the maximum annual debt service on the 1980 Certificates then outstanding, and (ii)~~ the Maximum Annual Debt Service on the Bonds then Outstanding and the additional parity Bonds then proposed to be issued.

(F) The Board of <u>Governors</u> ~~Regents~~ must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of this Resolution and the Board of <u>Governors</u> ~~Regents~~ must be currently in compliance with the covenants and provisions of this Resolution and any supplemental resolution hereafter adopted for the issuance of additional parity Bonds; unless upon the issuance of such additional parity Bonds the Board of <u>Governors</u> ~~Regents~~ will be in compliance with all such covenants and provisions.

(G)(1) The average amount of Pledged Revenues for the two immediately preceding Fiscal Years adjusted as hereinafter provided, as certified by the Board of <u>Governors</u> ~~Regents~~ or other appropriate State official pursuant to Section 5.01(E)(1), will be at least equal to one hundred <u>twenty</u> ~~thirty~~ percent (<u>120%</u> ~~130%~~) of the Maximum Annual Debt Service on (i) ~~the 1980 Certificates and~~ the Bonds then Outstanding, and (ii) the additional parity Bonds then proposed to be issued;

(2) The Pledged Revenues calculated pursuant to the foregoing subsection (G)(1) may be adjusted, at the option of the Board of <u>Governors</u> ~~Regents~~ as follows:

(a) If the Board of <u>Governors</u> ~~Regents~~ or the University, prior to the issuance of the proposed additional parity Bonds, shall have increased the rates, fees, rentals or other charges for the services of the Housing System, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of said additional parity Bonds shall be adjusted to show the Pledged Revenues which would have been derived from the Housing System as if such increased rates, fees, rentals or other charges for the services of the Housing System had been in effect during all of such two preceding Fiscal Years.

(b) If the Board of <u>Governors</u> ~~Regents~~ or the University shall have acquired or has contracted to acquire any privately or publicly owned existing apartment facility, then the average amount of Pledged Revenues derived from the Housing System during the two immediately preceding Fiscal Years prior to the issuance of said additional parity Bonds as certified by the Board of <u>Governors</u> ~~Regents~~ or other appropriate State official, shall be increased by adding to the Pledged Revenues for said two preceding Fiscal Years the net revenues which would have been derived from any existing apartment facility so acquired as if such existing apartment facility had been a part of the Housing System during such two Fiscal Years. For the purposes of this paragraph, the revenues derived from said existing apartment facility during such two preceding Fiscal Years shall be adjusted to determine such net revenues by deducting the cost of operation and maintenance of said existing apartment facility from the gross revenues of said apartment facility in the same manner provided in the Resolution for the determination of Pledged Revenues. The revenues from such facilities may also be adjusted for any increase in rates as though they had been in effect during all of such two preceding Fiscal Years.

(c) Should the Board of <u>Governors</u> ~~Regents~~ or the University be constructing or acquiring additions, extensions or improvements to the Housing System from the proceeds of such additional parity Bonds or from sources other than additional parity Bonds and if the Board of <u>Governors</u> ~~Regents~~ or the University shall have established rates, fees, rentals or other charges to be charged and collected from users of such facilities when service is rendered, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of such additional parity Bonds, as certified by the Board of <u>Governors</u> ~~Regents~~, shall be adjusted to show the Pledged Revenues estimated by the Board of <u>Governors</u> ~~Regents~~ to be received from the users of the facilities to be financed, during the first twelve (12) months of operation after completion of the construction or acquisition of said additions, extensions and improvements as if such rates, fees, rentals or other charges for such services had been in effect during all of such two Fiscal Years.

(B) All additional references in the Original Resolution to the term Board of Regents shall be amended to refer to the term Board of Governors instead. The definition of the term Board of Regents is hereby deleted and replaced with the definition of the term Board of Governors as follows:

"Board of Governors" means the Florida Board of Governors, a body corporate, established pursuant to Article IX, Section 7, Florida Constitution, and includes any other entity succeeding to the powers thereof.

SECTION 3. The Original Resolution, as amended and supplemented through the date of this resolution, is in all respects ratified and confirmed.

SECTION 4. This resolution shall take effect immediately.

ADOPTED on September 19, 2007.

APPENDIX F

FORM OF

**DIVISION OF BOND FINANCE
OF THE
STATE BOARD OF ADMINISTRATION
OF FLORIDA**

**A RESOLUTION
(THE SEVENTH SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE OF
STATE OF FLORIDA, BOARD OF GOVERNORS,
UNIVERSITY OF CENTRAL FLORIDA
DORMITORY REVENUE BONDS, SERIES 2012A**

January 18, 2012

A RESOLUTION (THE SEVENTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE BONDS, SERIES 2012A, TO FINANCE THE CONSTRUCTION OF AND CAPITAL IMPROVEMENTS TO STUDENT HOUSING FACILITIES ON THE CAMPUS OF THE UNIVERSITY OF CENTRAL FLORIDA; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

ARTICLE I
DEFINITIONS, AUTHORITY AND FINDINGS

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution, (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and to the 2012A Bonds (as defined herein).

"2012A Bonds" means the State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series 2012A, authorized by this Seventh Supplemental Resolution.

"2012A Project" means the construction of three student dormitory facilities, a fraternity/sorority residential hall and administrative center, and other general capital improvements to the Housing System, all of which will be located on the University's main campus, as previously approved by the Board of Governors, subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Governors.

"2012A Project Construction Fund" means a trust fund held in the State Treasury in which shall be deposited the net proceeds of the 2012A Bonds and other available moneys for the construction of the 2012A Project.

"Additional Parity Bonds" means any obligations hereafter issued pursuant to the terms and conditions of the Original Resolution and payable from the Pledged Revenues on a parity with the Bonds originally issued thereunder. Such Additional Parity Bonds shall be deemed to have been issued pursuant to the Original Resolution the same as the Bonds originally authorized and issued pursuant to the Original Resolution, and all of the applicable covenants and other provisions of the Original Resolution (except as to details of such Additional Parity Bonds inconsistent herewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds originally authorized and issued pursuant to the Original Resolution, and the Registered Owners of any Additional Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with the Original Resolution. All of such Additional Parity Bonds, regardless of the time or times of their issuance, shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference of any Bonds over any other. Additional Parity Bonds shall also include any outstanding indebtedness previously issued with respect to any housing facility which is being added to the University's Housing System and which is secured by the revenues of such housing facility.

"Assistant Secretary" means an Assistant Secretary of the Division of Bond Finance.

"Board of Governors" or **"Board"** means the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

"Bonds" means the Outstanding Bonds, the 2012A Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 of the Original Resolution.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor.

“Code” means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Completion Bonds" means those Bonds issued pursuant to Section 5.04 of the Original Resolution to pay the cost of completing the 2012A Project.

“Director” means the Director of the Division of Bond Finance and shall include any Assistant Secretary to whom the Director delegates authority.

"Housing System" means (i) the facilities enumerated in the Original Resolution, as supplemented and amended through the Sixth Supplemental Resolution; (ii) the 2012A Project; and (iii) such additional housing facilities that either have been, or as at some future date may be, added to the Housing System by formal action of the Board of Governors.

"Original Resolution" means the resolution adopted on July 21,1992 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Bonds, as amended and supplemented from time to time.

“Outstanding Bonds” means the Outstanding State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992; the Outstanding State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000; the Outstanding State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002; the Outstanding State of Florida, Board of Governors, Dormitory Revenue Refunding Bonds, Series 2007A; and any Additional Parity Bonds.

"Project Costs" means the actual costs of the 2012A Project, financed through the issuance of the 2012A Bonds, including costs of design and construction; materials, labor, furnishings, equipment and apparatus; sitework and landscaping; roadway and parking facilities; the acquisition of all lands or interests therein, and all other property, real or personal, appurtenant to or useful in the 2012A Project; interest on the 2012A Bonds for a reasonable period after date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board necessary to the construction and placing in operation of the 2012A Project and the financing thereof.

“Rebate Amount” means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

“Seventh Supplemental Resolution” means this resolution authorizing the issuance of the 2012A Bonds.

“Sixth Supplemental Resolution” means the resolution adopted by the Governing Board on September 19, 2007 modifying the Original Resolution.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Seventh Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes, (the “State Bond Act”); Section 1010.62, Florida Statutes; other applicable provisions of law; and the Original Resolution; and it constitutes a resolution authorizing bonds pursuant to the State Bond Act.

SECTION 1.03. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Board of Governors is authorized to acquire, own, construct, operate, maintain, improve and extend public buildings and facilities for use by any of the several State universities, and to finance such improvements; and the Board of Governors is further authorized to pay the principal of and interest on obligations issued to finance the construction and acquisition of such improvements.

(B) The construction of the 2012A Project at the University is necessary, desirable and in the best interest of the University.

(C) The Board of Governors adopted a resolution on March 24, 2011 requesting the Division of Bond Finance to take the necessary actions required for the issuance of the 2012A Bonds.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2012A Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue the 2012A Bonds on behalf of the Board of Governors to finance the 2012A Project.

(F) The 2012A Project will be the construction of three student dormitory facilities, a fraternity/sorority residential hall and administrative center, and other general capital improvements to the Housing System, substantially in accordance with the plans and specifications as may be approved by the Board of Governors from time to time.

(G) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature approved the 2012A Project pursuant to Section 1010.62(7), Florida Statutes.

(H) The principal of and interest on the 2012A Bonds and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the Pledged Revenues accruing to and to be received by the Board of Governors or the University in the manner provided by the Original Resolution, and this Seventh Supplemental Resolution.

(I) The 2012A Bonds will be secured on a parity as to the lien on the Pledged Revenues with the Outstanding Bonds, and with any Additional Parity Bonds, when and if issued.

(J) The 2012A Bonds shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(K) The Division of Bond Finance, pursuant to the statutes and constitutional provisions herein cited, is authorized to issue the 2012A Bonds, on behalf of, and in the name of the Board of Governors, subject to the terms, limitations and conditions contained in the Original Resolution, and in this Seventh Supplemental Resolution.

(L) Pursuant to Sections 215.59 and 215.64, Florida Statutes, the Division of Bond Finance is authorized to issue revenue bonds on behalf of state agencies payable from funds derived directly from sources other than state tax revenues, without the vote of electors in the manner provided by law.

(M) Section 5.01 of the Original Resolution provides for the issuance of Additional Parity Bonds under the terms, restrictions and conditions provided therein.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance by the Registered Owners of the 2012A Bonds, the Original Resolution, as amended and supplemented through the date of this Seventh Supplemental Resolution, shall be and shall constitute a contract among the Division of Bond Finance, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the 2012A Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided in the Original Resolution, as amended and supplemented through the date of this Seventh Supplemental Resolution.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE AND FORM OF BONDS

SECTION 2.01. AUTHORIZATION OF 2012A BONDS. Subject and pursuant to the provisions of this Seventh Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board of Governors to be known as "State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series 2012A" (or such other designation as may be determined by the Director) are hereby authorized to be issued by the Division of Bond Finance in an aggregate principal amount not exceeding $55,000,000, for the purpose of financing the construction, furnishing and equipping of the 2012A Project as described herein. Such bonds may be sold and issued in one or more series and in combination with other University of Central Florida Dormitory Revenue Bonds, provided that the actual designation of any series of such bonds whether sold in one or more than one series (including a change of year designation, if desirable) and whether such bonds or any portion thereof are to be taxable or tax-exempt, shall be determined by the Director.

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. The terms, description, execution, negotiability, redemption, registration, transfer, authentication, disposition, replacement, issuance and form of the 2012A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the 2012A Bonds, except as otherwise provided in this Seventh Supplemental Resolution. The form of the 2012A Bonds shall be governed by this Seventh Supplemental Resolution. The text of the 2012A Bonds may contain such provisions, specifications and descriptive words not inconsistent with the provisions of this Seventh Supplemental Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, or to comply with applicable laws, rules and regulations of the United States and the State, all as may be determined by the Director prior to the delivery thereof.

SECTION 2.03. EXECUTION OF THE 2012A BONDS. The 2012A Bonds shall be executed in the name of the Board of Governors by its Chairman and attested to by its Vice-Chairman, or such other member of the Board of Governors as may be designated pursuant to subsequent resolution of the Governing Board of the Division of Bond Finance, and the corporate seal of the Board of Governors or a facsimile thereof shall be affixed thereto or reproduced thereon. The Bond Registrar/Paying Agent's certificate of authentication shall appear on the 2012A Bonds, signed by an authorized signatory of said Bond Registrar/Paying Agent. Any of the above signatures may be a facsimile signature imprinted or reproduced on the 2012A Bonds, provided that at least one signature required shall be manually subscribed. In case any one or more of the officers who shall have signed or sealed any of the 2012A Bonds shall cease to be such officer of the Board of Governors before the 2012A Bonds so signed and sealed shall have been actually sold and delivered, the 2012A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2012A Bonds had not ceased to hold such office. Any 2012A Bond may be signed and sealed on behalf of the Board of Governors by such person as to the actual time of the execution of such 2012A Bond shall hold the proper office, although at the date of such 2012A Bond, such person may not have held such office or may not have been so authorized.

A certificate as to the approval of the issuance of the 2012A Bonds pursuant to the provisions of the State Bond Act, shall be executed by the facsimile signature of the Secretary or an Assistant Secretary of the Governing Board.

SECTION 2.04. FORM OF THE 2012A BONDS.

(A) Notwithstanding anything to the contrary in the Original Resolution or this Seventh Supplemental Resolution, or any other resolution relating to the 2012A Bonds (for the purposes of this section, collectively, the "Resolution"), the 2012A Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the 2012A Bonds is maintained in accordance herewith, any provision of the Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Resolution shall be deemed to give full effect to such book-entry system.

If the 2012A Bonds are issued in book-entry only form:

(1) The 2012A Bonds shall be issued in the name of the Securities Depository as Registered Owner of the 2012A Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the 2012A Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants" include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain

other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the 2012A Bonds. Beneficial ownership interests in the 2012A Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive 2012A Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its 2012A Bonds. Transfers of ownership interests in the 2012A Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Division of Bond Finance, the Board of Governors, the Board of Administration and the Bond Registrar/Paying Agent (as used in this section, the "State and its agents") shall treat the Securities Depository as the sole and exclusive owner of the 2012A Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the 2012A Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Board of Governors' obligations to the extent of the sums so paid;

(b) giving any notice permitted or required to be given to Registered Owners under the Resolution; and

(c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The State and its agents may rely conclusively upon

(i) a certificate of the Securities Depository as to the identity of the Participants with respect to the 2012A Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of 2012A Bonds beneficially owned by, the Beneficial Owners.

(5) The State and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the 2012A Bond Register, with respect to

(a) the accuracy of any records maintained by the Securities Depository or any Participant;

(b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any 2012A Bond;

(c) the delivery of any notice by the Securities Depository or any Participant;

(d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the 2012A Bonds; or

(e) any consent given or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Resolution of holding, delivering or transferring 2012A Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry 2012A Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the 2012A Bonds shall, while the 2012A Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(B) The Division of Bond Finance may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Division of Bond Finance shall either

(1) identify another qualified securities depository or

(2) prepare and deliver replacement 2012A Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 2012A PROJECT. The Board of Governors is authorized to construct the 2012A Project from the proceeds of the sale of the 2012A Bonds and other legally available funds, subject to the provisions of this Seventh Supplemental Resolution, the Original Resolution, and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF 2012A BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the 2012A Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 2012A Bonds, including a reasonable charge for the Division of Bond Finance's services, the Division of Bond Finance shall transfer and deposit the remainder of the 2012A Bond proceeds as follows:

(1) An amount which together with other moneys available therefor and on deposit in the Reserve Account is equal to the Debt Service Reserve Requirement, shall be transferred to the Board of Administration and deposited into the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Board of Governors, as provided in Section 4.02(B) of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Debt Service Reserve Requirement and the sums then on deposit in the applicable sub-account in the Reserve Account.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited into the Sinking Fund, created by the Original Resolution, and used for the payment of interest on the 2012A Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the 2012A Bonds shall be transferred to and deposited into the 2012A Project Construction Fund, which is hereby created in the State Treasury.

(B) Any unexpended balance remaining in the 2012A Project Construction Fund, after a consulting architect shall certify that the 2012A Project has been completed and after all costs thereof paid or payment provided for, shall be either (i) applied to fixed capital outlay projects of the Housing System, provided that such application does not result in a violation of Section 6.04 of the Original Resolution, or (ii) deposited into the Sinking Fund created by the Original Resolution.

(C) In addition to the aforementioned proceeds of the 2012A Bonds, the Board or the University of Central Florida may deposit into the 2012A Project Construction Fund additional funds legally available for the purposes of such fund which, together with the proceeds of the 2012A Bonds, will be sufficient to finance the total 2012A Project Costs. Any such additional funds, other than the proceeds of the 2012A Bonds or Completion Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the 2012A Bonds issued pursuant to this Seventh Supplemental Resolution.

(D) All moneys in the 2012A Project Construction Fund shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the Registered Owners of the 2012A Bonds issued pursuant to this Seventh Supplemental Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of state funds.

SECTION 3.03. INVESTMENT OF THE 2012A PROJECT CONSTRUCTION FUND. Any moneys in the 2012A Project Construction Fund not immediately needed for the purposes provided in this Seventh Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 17.57, Florida Statutes.

SECTION 3.04. REIMBURSEMENT OF CONSTRUCTION COSTS. Expenditures for the construction and equipping of the 2012A Project which are incurred by the University prior to the issuance of the 2012A Bonds may be reimbursed from the proceeds of the 2012A Bonds to the extent permitted under the Code. The expenditures will be reimbursed from the 2012A Project Construction Fund.

ARTICLE IV
SECURITY FOR THE 2012A BONDS;
COMPLETION BONDS

SECTION 4.01. 2012A BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The 2012A Bonds shall be issued subject to the provisions of Section 5.01 of the Original Resolution governing the issuance of Additional Parity Bonds thereunder. The 2012A Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

SECTION 4.02. 2012A BONDS SECURED BY ORIGINAL RESOLUTION. The 2012A Bonds shall be deemed to have been issued pursuant to the Original Resolution as fully and to the same extent as the Outstanding Bonds and all of the covenants and agreements contained in the Original Resolution shall be deemed to have been made for the benefit of the Registered Owners of the 2012A Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, except to the extent inconsistent herewith, shall be deemed to be part of this Seventh Supplemental Resolution to the same extent as if incorporated verbatim in this Seventh Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, by any of the Registered Owners of the 2012A Bonds.

SECTION 4.03. COMPLETION BONDS. The Board of Governors and the Division of Bond Finance need not comply with Section 5.01 of the Original Resolution, in connection with the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the 2012A Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2012A Project at the time of the original issuance of the 2012A Bonds.

ARTICLE V
MISCELLANEOUS PROVISIONS

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Seventh Supplemental Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board of Governors may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Governors agrees to provide or cause to be provided such information as may be required, from time to time, under such rule or any successor rule applicable to the Board of Governors.

(B) The Director, in conjunction with the appropriate officer of the Board of Governors, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission or any successor rule applicable to the Board of Governors.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Seventh Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Seventh Supplemental Resolution or of the 2012A Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Seventh Supplemental Resolution or of the 2012A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the 2012A Bonds by the Division of Bond Finance on behalf of the Board of Governors, the Board of Administration shall act as the fiscal agent for the Board with respect to the 2012A Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Seventh Supplemental Resolution, to the extent that they are inconsistent with this Seventh Supplemental Resolution, are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

The authority for the issuance and delivery of the unissued portion of any bonds authorized prior to the date of this Seventh Supplemental Resolution pursuant to the Original Resolution, as amended and supplemented, is hereby canceled.

SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original Resolution or this Seventh Supplemental Resolution to offices, bodies or agencies which have been or are superceded, replaced or abolished by law, shall be deemed to refer to the successor of such offices, bodies and agencies. Any action required or authorized to be taken by an official whose office, body or agency has been or is so superceded, replaced or abolished shall be taken by the successor to such official.

SECTION 5.08. CONFIRMATION OF ORIGINAL RESOLUTION. As supplemented by this Seventh Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Seventh Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.09. EFFECTIVE DATE. This Seventh Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on January 18, 2012.

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APPENDIX G

FORM OF

DIVISION OF BOND FINANCE
OF THE
STATE BOARD OF ADMINISTRATION
OF FLORIDA

A RESOLUTION
(THE EIGHTH SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE AND SALE OF
STATE OF FLORIDA, BOARD OF GOVERNORS,
UNIVERSITY OF CENTRAL FLORIDA
DORMITORY REVENUE REFUNDING BONDS,
SERIES (TO BE DETERMINED)

January 18, 2012

A RESOLUTION (THE EIGHTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED); AMENDING THE ORIGINAL RESOLUTION; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

ARTICLE I

DEFINITIONS, AUTHORITY AND RESOLUTION TO CONSTITUTE CONTRACT

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and the Refunding Bonds (as defined herein).

"1992 Bonds" means the State of Florida, Board of Regents, University of Central Florida Student Apartment Facility Revenue Bonds, Series 1992.

"2000 Bonds" means the State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000.

"2002 Bonds" means the State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002.

"2007A Bonds" means the State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2007A.

"Assistant Secretary" means an Assistant Secretary of the Division of Bond Finance.

"Board of Governors" or **"Board"** means the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

"**Bonds"** means the Outstanding Bonds, the Refunding Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 of the Original Resolution.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor.

"Bond Year" means, with respect to a particular Series of Bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of Bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division selects another date on which to end a Bond Year in the manner permitted by the Code.

"**Code**" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Director" means the Director of the Division of Bond Finance and shall include any Assistant Secretary to whom the Director delegates authority.

"Division" means the Division of Bond Finance of the State Board of Administration of Florida.

"Eighth Supplemental Resolution" means this resolution authorizing the issuance and sale of the Refunding Bonds.

"Housing System" means (i) the facilities enumerated in the Original Resolution, as supplemented and amended through the Seventh Supplemental Resolution; and (ii) such additional housing facilities that either have been, or as at some future date may be, added to the Housing System by formal action of the Board of Governors.

"Original Resolution" means the resolution adopted on July 21, 1992 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance, authorizing the issuance of the Bonds, as amended and supplemented from time to time.

"Outstanding Bonds" means the Outstanding 1992 Bonds, 2000 Bonds, 2002 Bonds, and 2007A Bonds.

"Rebate Amount" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Refunded Bonds" means all or a portion of the Outstanding 2000 Bonds to be refunded by the Refunding Bonds.

"Refunding Bonds" means the State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) authorized by this Eighth Supplemental Resolution.

"Seventh Supplemental Resolution" means the resolution adopted by the Governing Board on January 18, 2012, authorizing the Series 2012A Bonds.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Eighth Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes, (the "State Bond Act"); Section 1010.62, Florida Statutes; other applicable provisions of law; and the Original Resolution; and is supplemental to said Original Resolution.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance by the Registered Owners of the Refunding Bonds, the Original Resolution, as amended and supplemented through the date of this Eighth Supplemental Resolution, shall be and shall constitute a contract among the Division of Bond Finance, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Governors and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the Refunding Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided in the Original Resolution, as amended and supplemented through the date of this Eighth Supplemental Resolution.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE, FORM OF BONDS AND AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF THE REFUNDING BONDS. (A) Subject and pursuant to the provisions of this Eighth Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board of Governors to be known as "State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined)" (or such other designation as may be determined by the Director) are hereby authorized to be issued and sold at competitive sale by the Division of Bond Finance in an aggregate principal amount not exceeding $27,000,000 on a date and at the time to be set out or provided for in the Notice of Bond Sale to be published as provided in this Eighth Supplemental Resolution. The Refunding Bonds shall be sold to refund all or a portion of the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of University of Central Florida Dormitory Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to determine the most advantageous date and time of sale and to publish the Notice of Bond Sale of the Refunding Bonds, or an abbreviated version thereof, in *The Bond Buyer*, New York, New York, or another financial journal, such publication to be not less than 10 days prior to the date of sale; provided, that if no bids are received at the time and place called for in the Notice of Bond Sale, or if all bids received are rejected, such Refunding Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director. Bids for the purchase of the Refunding Bonds will be received at the office of the Division or at another location designated in the Notice of Bond Sale, until the time and date of sale specified or provided for in the Notice of Bond Sale. Any prior publication of a Notice of Bond Sale, or abbreviated version thereof, is hereby ratified.

(C) The Director is hereby authorized to publish and distribute a Notice of Bond Sale and a proposal for the sale of the Refunding Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director and shall contain such information as is consistent with the terms of the Resolution which the Director determines is in the best financial interest of the State. Any prior distribution of a Notice of Bond Sale and proposal for sale is hereby ratified.

(D) The Director is hereby authorized to prepare and distribute preliminary and final official statements in connection with the offering of the Refunding Bonds. The Director is further authorized and directed to amend, supplement or complete the information contained in the preliminary official statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chairman and Secretary of the Governing Board and the Director are hereby authorized to execute the final official statement in connection with the offering of the Refunding Bonds, and the execution thereof by any of the authorized individuals shall be conclusive evidence that the Governing Board has approved the form and content of the final official statement and that the final official statement is complete as of its date.

(E) The Director is hereby authorized to have up to 1,500 copies of the preliminary official statement and 3,500 copies (plus such additional copies as may be requested by the successful bidder at the expense of the successful bidder) of the final official statement relating to the offering of the Refunding Bonds printed and distributed; to contract with national rating services and providers of municipal bond insurance and Reserve Account Credit Facilities; to retain bond counsel; to make a determination that the preliminary official statement is "deemed final" for purposes of SEC Rule 15c2-12(b)(1); to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the Refunding Bonds. Any prior printing and distribution of a preliminary official statement is hereby ratified.

(F) The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said Refunding Bonds when offered, on his determination of the best proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or any Assistant Secretary of the Governing Board shall report such sale to the Governing Board after award of the Refunding Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such Refunding Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the Refunding Bonds as provided by this Eighth Supplemental Resolution and other proceedings authorizing the issuance of the Refunding Bonds.

(G) The Refunding Bonds shall be executed in the name of the Board of Governors by its Chair, or by such other authorized person. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Refunding Bonds. In case any one or more of the officers who shall have signed any of the Refunding Bonds shall cease to be such officer before the Refunding Bonds so signed and sealed shall have been actually sold and delivered, the Refunding Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Refunding Bonds had not ceased to hold office.

(H) A certificate as to the approval of the issuance of the Refunding Bonds, shall be executed by the facsimile signature of the Secretary of the Governing Board, an Assistant Secretary, or as otherwise provided by law.

(I) U.S. Bank Trust National Association, or its successor, is hereby designated as Bond Registrar/Paying Agent for the Refunding Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the Board of Administration and U.S. Bank Trust National Association or its successor.

(J) The Interest Payment Dates and the Principal Payment Dates for the Refunding Bonds shall be as set forth in the Notice of Bond Sale. Interest on the Refunding Bonds shall be paid by check or draft mailed on the Interest Payment Date (or, in certain cases, may be paid by wire transfer at the election of a Registered Owner, other than a securities depository, in the manner and under the terms provided for in the State's agreement with the Bond Registrar/Paying Agent, provided that such Registered Owner advances to the Bond Registrar/Paying Agent the amount, if any, necessary to pay the wire charges or authorizes the paying agent to deduct the amount of such payment) to the Registered Owner thereof as of 5:00 p.m. New York time on the Record Date shown on the registration books maintained by the Bond Registrar/Paying Agent for the Refunding Bonds.

(K) The Refunding Bonds shall be dated, shall mature in such years and amounts and shall bear interest commencing on such date as set forth or provided for in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division with this Eighth Supplemental Resolution. The Refunding Bonds shall be issued in denominations of $1,000 or any integral multiple thereof unless otherwise provided in the Notice of Bond Sale. The Refunding Bonds shall be payable at the corporate trust office of U.S. Bank Trust National Association, New York, New York, or its successor.

(L) The Refunding Bonds shall be subject to redemption as provided in the Notice of Bond Sale. The Notice of Bond Sale shall contain such redemption provisions as shall be determined by the Director to be in the best financial interest of the State. Upon election by the successful bidder as provided in the Notice of Bond Sale, a portion of the Refunding Bonds identified in such election may be designated as Term Bonds. Additionally, in lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices.

(M) The incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds shall be funded with proceeds of the Refunding Bonds, amounts previously on deposit in a reserve account on behalf of the Refunded Bonds, a Reserve Account Credit Facility, or some combination thereof, as determined by the Director. The incremental increase, if any, in the Reserve Requirement attributable to the Refunding Bonds shall be deposited in the Reserve Account which was created pursuant to Section 5.01(B) of the Original Resolution. Amounts on deposit in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the Reserve Account, and shall be applied in the manner provided in the Original Resolution.

Notwithstanding the provisions of the Original Resolution, the Reserve Account for the Refunding Bonds authorized by this Eighth Supplemental Resolution shall be funded in an amount determined by the Director, which shall not exceed the Debt Service Reserve Requirement for the Refunding Bonds. Such amount may be zero. The amount of the Reserve Requirement funded from the proceeds of the Refunding Bonds shall not exceed the amount permitted under the Code.

The Reserve Requirement for the Refunding Bonds, if any, shall be deposited, as determined by the Director, in either a subaccount in the Reserve Account established for any of the Outstanding Bonds or in a subaccount in such Reserve Account which is hereby established for the Refunding Bonds. Amounts on deposit in any subaccount in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the respective subaccount, and shall be applied in the manner provided in the Original Resolution, as amended and supplemented through this Eighth Supplemental Resolution.

(N) Any portion of the Refunding Bonds may be issued as a separate series, provided that the Refunding Bonds of each series shall be numbered consecutively from one upward. The Refunding Bonds referred to herein may be sold separately or combined with any other Bonds authorized by the Division to be sold.

(O) The Director is hereby authorized to offer for sale a lesser principal amount of Refunding Bonds than that set forth in this Eighth Supplemental Resolution and to adjust the maturity schedule and redemption provisions for the Refunding Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the Notice of Bond Sale as may be required. Any portion of the Refunding Bonds not offered shall remain authorized to be offered at a later date.

(P) The Director is authorized to provide in the Notice of Bond Sale of the Refunding Bonds that the purchase price for the Refunding Bonds may include a discount of not to exceed 3%, excluding original issue discount, if any, of the aggregate principal amount of such Refunding Bonds offered for sale.

(Q) The Chairman, Secretary and any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division in connection with the issuance and delivery of the Refunding Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the Refunding Bonds, including but not limited to, contracting with a consultant to verify escrow calculations of the Refunding Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the Refunding Bonds, and providing for redemption of the Refunded Bonds. Notwithstanding anything contained in the Original Resolution to the contrary, it is the intent of the Division that interest on the Refunding Bonds, if issued as tax-exempt Refunding Bonds, be and remain excluded from gross income for federal income tax purposes and therefore to comply with all requirements of federal tax law applicable to such tax-exempt Refunding Bonds, whether such requirements are now in effect, pending or subsequently enacted. The Division is hereby authorized and directed to take all actions necessary with respect to the Refunding Bonds to comply with such requirements of federal tax law.

SECTION 2.02. AUTHORIZATION TO EXECUTE AND DELIVER AN ESCROW DEPOSIT AGREEMENT; DESIGNATION OF ESCROW AGENTS. The Chairman and Secretary or an Assistant Secretary of the Governing Board and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division are hereby each authorized to execute and deliver an escrow deposit agreement on behalf of the Division in such form as may be determined by the Director for the purpose of providing for the deposit of a portion of the proceeds of the Refunding Bonds and such other funds as determined to be necessary into an escrow deposit trust fund for the refunding of the Refunded Bonds. The escrow deposit trust fund shall be held and administered by an escrow agent acceptable to the Director as evidenced by the Director's execution of the escrow deposit agreement.

SECTION 2.03. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Eighth Supplemental Resolution, the terms, description, execution, negotiability, redemption, authentication, disposition, replacement, registration, transfer, issuance and form of the Refunding Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Refunding Bonds.

SECTION 2.04. FORM OF REFUNDING BONDS. (A) Notwithstanding anything to the contrary in the Original Resolution or this Eighth Supplemental Resolution, or any other resolution relating to the Refunding Bonds (for purposes of this section, collectively, the "Resolution"), the Refunding Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the Refunding Bonds is maintained in accordance herewith, any provision of the Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Resolution shall be deemed to give full effect to such book-entry system.

If the Refunding Bonds are issued in book-entry only form:

(1) The Refunding Bonds shall be issued in the name of the Securities Depository as Registered Owner of the Refunding Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the Refunding Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants"

include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the Refunding Bonds. Beneficial ownership interests in the Refunding Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Refunding Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its Refunding Bonds. Transfers of ownership interests in the Refunding Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Division, the Board of Governors, the Board of Administration and the Bond Registrar/Paying Agent (as used in this section, the "State and its agents") shall treat the Securities Depository as the sole and exclusive owner of the Refunding Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the Refunding Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Board of Governors' obligations to the extent of the sums so paid;

(b) giving any notice permitted or required to be given to Registered Owners under the Resolution; and

(c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The State and its agents may rely conclusively upon

(i) a certificate of the Securities Depository as to the identity of the Participants with respect to the Refunding Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Refunding Bonds beneficially owned by, the Beneficial Owners.

(5) The State and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Refunding Bond Register, with respect to

(a) the accuracy of any records maintained by the Securities Depository or any Participant;

(b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Refunding Bond;

(c) the delivery of any notice by the Securities Depository or any Participant;

(d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Refunding Bonds; or

(e) any consent given or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Resolution of holding, delivering or transferring Refunding Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Refunding Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the Refunding Bonds shall, while the Refunding Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(B) The Division may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Division shall either

(1) identify another qualified securities depository or

(2) prepare and deliver replacement Refunding Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III

APPLICATION OF PROCEEDS

SECTION 3.01. APPLICATION OF REFUNDING BOND PROCEEDS. Upon receipt of the proceeds of the sale of the Refunding Bonds the Division shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division in connection with the preparation, issuance, and sale of the Refunding Bonds, including a reasonable charge for the services of the Division for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division and deposited in the Bond Fee Trust Fund.

(B) Any accrued interest on the Refunding Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund, and used for the payment of interest on the Refunding Bonds.

(C) An amount necessary to fund the incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds, to be held in reserve, shall be transferred to the Board of Administration and deposited in the Reserve Account within the Sinking Fund. Alternatively, the Division, as provided in Section 4.02 of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Account.

(D) An amount together with the interest earnings thereon, and other amounts deposited therein which is anticipated to be sufficient to pay when due (1) the principal amount of the Refunded Bonds, (2) the amount of interest and redemption premium payable on the Refunded Bonds, and (3) the amount of fees and expenses estimated to be incurred in connection with the payment and retirement of the Refunded Bonds, shall be either transferred and deposited in escrow pursuant to the terms of the escrow deposit agreement, or, at the discretion of the Director, deposited with the Bond Registrar/Paying Agent.

(E) Any balance of the proceeds of the Refunding Bonds after providing for the requirements of subsections (A) through (D) above shall be transferred to the Sinking Fund and used for the purposes set forth therein.

ARTICLE IV

SECURITY FOR THE REFUNDING BONDS

SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The Refunding Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

SECTION 4.02. REFUNDING BONDS SECURED BY ORIGINAL RESOLUTION. The Refunding Bonds shall be deemed to have been issued pursuant to the Original Resolution, as supplemented by this Eighth Supplemental Resolution, as fully and to the same extent as the Outstanding Bonds and all of the covenants and agreements contained in the Original Resolution, as amended and supplemented, shall be deemed to have been made for the benefit of the Registered Owners of the Refunding Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, as amended and supplemented, except to the extent inconsistent herewith, shall be deemed to be part of this Eighth Supplemental Resolution to the same extent as if incorporated verbatim in this Eighth Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution, as amended and supplemented, by any of the Registered Owners of the Refunding Bonds.

ARTICLE V

AMENDMENTS TO THE ORIGINAL RESOLUTION AND MISCELLANEOUS PROVISIONS

SECTION 5.01. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 1.04 of the Original Resolution is hereby amended as follows:

SECTION 1.04. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

. . .

(H) "Board of Governors ~~Regents~~" or "Board" shall mean ~~the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions of Chapter 240, Florida Statutes~~ the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

(B) The Original Resolution is further amended to replace all occurrences of the term "Board of Regents" with the term "Board of Governors".

(C) Section 2.02 of the Original Resolution is hereby amended to provide for bonds in the denomination of $1,000 each or any integral multiple thereof.

SECTION 5.02. RESOLUTION NOT ASSIGNABLE. This Eighth Supplemental Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board of Governors may lease, from time to time, to other tenants such portion or portions of the Housing System as are not needed by the Board of Governors, to the extent that any such lease would not adversely affect the Pledged Revenues or the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

SECTION 5.03. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.04. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Governors hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule or any successor rule applicable to the Board of Governors.

(B) The Director, in conjunction with the appropriate officer of the Board of Governors, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission or any successor rule applicable to the Board of Governors.

SECTION 5.05. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Eighth Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Eighth Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Eighth Supplemental Resolution or of the Refunding Bonds issued hereunder.

SECTION 5.06. FISCAL AGENT. Upon the sale and delivery of the Refunding Bonds by the Division of Bond Finance on behalf of the Board of Governors, the Board of Administration shall act as the fiscal agent for the Board of Governors with respect to the Refunding Bonds.

SECTION 5.07. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All prior or concurrent resolutions or parts of resolutions heretofore adopted pertaining to the subject matter of this Eighth Supplemental Resolution, to the extent that they are inconsistent with this Eighth Supplemental Resolution, are hereby amended by this resolution, but only to the extent of any such inconsistencies. The authority for the issuance and delivery of the unissued portion of any bonds authorized prior to the date of this Eighth Supplemental Resolution pursuant to the Original Resolution, as amended and supplemented, is hereby canceled.

SECTION 5.08. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original Resolution or this Eighth Supplemental Resolution to offices, bodies or agencies which have been or are superceded, replaced or abolished by law, shall be deemed to refer to the successor of such offices, bodies and agencies. Any action required or authorized to be taken by an official whose office, body or agency has been or is so superceded, replaced or abolished shall be taken by the successor to such official.

SECTION 5.09. CONFIRMATION OF ORIGINAL RESOLUTION. As amended and supplemented by this Eighth Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Eighth Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.10. EFFECTIVE DATE. This Eighth Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on January 18, 2012.

THE UNIVERSITY OF CENTRAL FLORIDA[1]
Orlando, Florida

Introduction

The University of Central Florida (the "University"), a member of the State University System of Florida, was authorized by the Florida Legislature in 1963 and began operations in 1968 as Florida Technological University. The name was subsequently changed by action of the Legislature on December 6, 1978. The University has become one of the fastest growing schools in the State University System of Florida due to the rapid growth of the Orlando area.

The University is a comprehensive, metropolitan university with an enrollment of approximately 58,587 students, offering more than 221 bachelor, advanced, and professional degree programs through the colleges of Arts and Humanities, Burnett Honors College, Business Administration, Education, Engineering and Computer Science, Graduate Studies, Health and Public Affairs, Medicine, Nursing, Optics and Photonics, Rosen College of Hospitality Management, and Sciences. The institution serves central Florida and other regions within the State from its main Orlando campus and regional campuses in Cocoa, Daytona Beach, Leesburg, Ocala, Palm Bay, Sanford / Lake Mary, South Lake, South Orlando, Valencia Osceola, and Valencia West. The University also operates an academic center located in downtown Orlando.

The University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award bachelor's, master's and doctoral degrees in various academic disciplines. The University offers educational and research programs in diverse fields including education, engineering and computer science, simulation and training, optics and photonics, solar energy, biomedical sciences, administration, continuing education, nanoscience technology, advanced materials processing and analysis, health and public affairs, business, student development and enrollment services, arts and humanities, medicine, nursing and tourism. The University of Central Florida's programs in communications and the fine arts help to meet the cultural and entertainment needs of a growing metropolitan area.

History

During the early 1960's, central Florida was on the brink of major growth. President John F. Kennedy's objective of landing Americans on the moon resulted in a greatly increased work force at the nearby space center. The Martin Company and other major firms in the area requested additional educational facilities to provide a variety of courses for their employees. Educators, legislators and private citizens actively worked for a new university to serve the expanding central Florida area. On July 10, 1963, Governor Farris Bryant signed a bill to establish a State university in the east central part of Florida. In early 1964, following tours of prospective sites, it was decided to locate the institution on 1,227 acres northeast of Orlando. Classes began on October 7, 1968 with an enrollment of 1,948 students. Within a decade, the scope and mission of the University had expanded, and a new name was sought to more accurately reflect the changing role of the University in the central Florida area. As a result, Florida Technological University became the University of Central Florida.

During the next ten years, central Florida's growth mushroomed with a continual influx of new residents and new industry. New academic programs were added at the University and the first doctorate program (in computer science) was approved in 1981. Financial support from the community continued to increase and the first $1 million endowed chair became reality in November 1980. The Phillips-Schenck Chair in American Private Enterprise was followed in early 1983 by the Charles N. Millican Chair in Computer Science and the Alice and William Jenkins Chair in Community Arts in 1986. There have been commitments to fund additional endowed chairs in optical science and engineering, business administration, banking, accounting, restaurant management, nursing education, and science and math education.

In 1981, the University participated in the acquisition and initial development of 1,400 acres contiguous to the campus for the Central Florida Research Park (hereinafter referred to as the "Research Park"). The first of its kind in the State, the Research Park is a cooperative effort between the University of Central Florida and Orange County. The objective of the Research Park is to encourage and promote the establishment of research and development activity while combining the resources of institutions of higher learning, private sector enterprise involved in pure or applied research and State or federal governmental agency research.

[1] Source: Information in Appendix H provided by the University of Central Florida.

The Research Park has become the nucleus of a strong partnership between applied science and University researchers. Currently, companies located in the Research Park are pursuing activities that include simulation and training, lasers, optical fibers, behavioral sciences, diagnostic test equipment and cancer research. Over 9,500 people, including employees of private companies and students and faculty from the University, work in the Research Park, generating an annual payroll of $520 million.

Today, the University is a self-contained city with its own utility plant, dining facilities, retail stores, residence halls, police department and zip code. The campus and its buildings are valued at approximately $1 billion on a replacement cost basis. Numerous construction projects are scheduled to be completed within the next five years and include: Classroom Building II, Interdisciplinary Research and Incubator Facility, Arts Complex Phase II, Engineering Building Remodeling and Renovation, Math and Physics Building Remodeling and Renovation, Multi-Purpose Research and education Building, Library Renovation, Millican Hall Renovation, College of Nursing, Business Administration Renovation, and Chemistry Renovation.

With a continuing emphasis on quality education, the University is attracting an increasing number of top high school students with its innovative and nationally recognized curriculum.

Governance

Effective January 7, 2003, a statewide Board of Governors was created pursuant to Article IX, Section 7(d), of the Florida Constitution to operate, regulate, control and be fully responsible for the management of the State University System. The Board of Governors defines the mission of each university and ensures the well-planned coordination and operation of the State University System. The Governor appoints fourteen members to the Board of Governors for staggered terms of seven years. The appointed members are subject to confirmation by the Senate. The Commissioner of Education, the chair of the Advisory Council of Faculty Senates and the president of the Florida Student Association also serve as members.

Each university is directly governed by a Board of Trustees ("the Trustees"), consisting of thirteen members. The Boards of Trustees were created pursuant to Article IX, Section 7(c), of the Florida Constitution. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. The members are confirmed by the Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of the university are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the university which provide governance in accordance with the rules of the State Board of Education and the Board of Governors. The university President serves as the executive officer and corporate secretary of the Trustees and is responsible for all operations of the university. Other senior administrative officers of the universities are designated by the President. Generally, the Provost/Vice President for Academic Affairs assumes responsibility for the president during any absence and is the chief academic officer in the university organization. Other vice presidents have responsibility for specific areas within the organization. The deans of colleges and schools are responsible to the Provost for all matters relating to programs and personnel in their respective academic units.

The following individuals serve on the Board of Trustees of the University:

The establishment of individual University Boards of Trustees has increased the individual institution's control of their academic and fiscal affairs. Under the new structure, the universities are no longer state agencies, but rather are autonomous state-supported public corporations. While the exact structure of the new system continues to evolve, certain of the changes do provide the individual universities with greater fiscal autonomy and financial control.

Budget. Each university has control over its own budget, once State funds have been received. The Florida Legislature retains control of the appropriations process.

Tuition. The universities have been granted certain powers with regard to setting of tuition and the right to retain their own tuition revenues instead of sending them to the State for redistribution. Still, tuition-setting power for in-state students remains largely in the hands of the Legislature, with lawmakers determining the maximum allowable rates of tuition increase and universities setting the tuition within those limits. The ability for the University to set and collect a number of student service fees provides a meaningful offset to limitations regarding tuition.

Bonding Authority. Bond-issuing authority is retained by the State of Florida Division of Bond Finance; the University can borrow through affiliated foundations outside the Division of Bond Finance. The Board of Governors is authorized to request the issuance of revenue bonds to finance or refinance capital outlay projects permitted by law.

The policies and procedures established by the University Board of Trustees are administered by the President of the University and other University officials. The president of the University is the chief administrative officer of the University and exercises supervision over all of its activities. Within the University, the president has full veto power. Deans of colleges are ultimately responsible to the provost for matters relating to programs and personnel in their respective colleges. The provost assumes responsibility for the president in his absence. A vice president for administration and finance is responsible for fiscal, personnel and physical facility matters. The vice presidents for student affairs, University relations, Research and graduate studies are responsible for the areas described in their titles.

Buildings and Other Facilities

The 1,415-acre main campus has 161 permanent buildings containing a total of 9.406 million gross square feet of space. During the past several years, the University's capital improvement has been directed toward upgrading several existing facilities, identifying the need for new facilities and overseeing the completion of facilities under construction. Buildings most recently completed are Parking Garage H, Career Services and Experiential Learning, Public Safety Center, Recreation and Wellness (indoor and outdoor expansion), Burnett Bio-Medical Science Research Center, and College of Medicine Library and Instructional Building. One major building, Classroom Building II is funded and scheduled for construction. Buildings scheduled for major renovations include Engineering Building I Renovation, Math and Physics Building Remodeling and Renovation, Library Renovation, Millican Hall Renovation, Business Administration Renovation, and Chemistry Renovation.

The following table shows the proposed capital improvement projects planned for the University over the next several years. Many of these projects are planned to be funded with Public Education Capital Outlay funding generated from the collection of gross receipts taxes levied on utilities and telecommunication services. Additionally, the University has identified various other resources (general revenue, capital improvements fees, private funds, bond proceeds, etc.) to finance some of the capital improvement projects. The timing and source of funding for capital improvement projects may change depending on the availability of Public Education Capital Outlay moneys.

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Capital Improvement Plan and Legislative Budget Request

Project Name-From PECO Monies	Total Requested
Utilities, Infrastructure	$ 62,689,120
Physical Sciences II Completion	637,000
Partnership III Building Completion	1,332,355
Classroom Building II	23,475,601
Math & Physics Bldg. Remodeling And Renovation	7,755,790
Main Utility Plant Renovation	879,756
Engineering Bldg. I Renovation	7,241,445
Interdisc. Research & Incubator Fac.	39,776,653
Multi-Purpose Research And Education Building	28,359,071
Business Administration Renovation	7,118,804
Library Renovation	14,212,564
Chemistry Renovation	2,864,067
Arts Complex Phase II (Performance)	69,000,000
Facilities And Safety Complex Renovation	4,856,238
Visual Arts Renovation	4,724,007
Howard Phillips Hall Renovation	3,551,427
College Of Nursing	3,476,712
Colbourn Hall Renovation	4,968,246
Ferrell Commons (E And G Space) Renovation	5,418,854
Computer Center I Renovation	489,218
Total - PECO	**$ 292,826,928**
Other Projects	
Caracol in Belize-R	$350,000
College of Nursing-R	3,871
Orlando Repertory theatre III Renovations-R	225,000
Photo-Voltaic Array and Support Building	2,300,000
Mechanical, Materials and Aerospace Engineering	1,600,000
Science Annex Enhancement	5,000,000
Northeast Campus Mixed Use Development	50,000,000
Expansion of Jay Bergman Field Phase I	500,000
Expansion of Jay Bergman Field Phase II	4,500,000
Special Purpose Housing and Parking Garage I	25,000,000
Special Purpose Housing II	8,000,000
Parking Garage VII	20,000,000
Parking Decks	17,000,000
Library Expansion	113,472,000
Refinance UCF Foundation Properties	37,410,000
Lake Claire Renovation	3,000,000
Creative School Expansion	6,000,000
Student Union II	14,000,000
Recreation and Wellness Fields	2,000,000
Combined Heat and Power Facility	8,300,000
Total - OTHER	**$318,660,871**
Total – PECO AND OTHER	**$611,487,799**

Budgetary Process

The University's operating budget is comprised of the following budget entities: Education and General, Student Financial Aid, Contracts and Grants, Auxiliary Enterprises, Intercollegiate Athletics, Student Activities, Faculty Practice (Medical School), Technology Fee and Concessions.

Educational and General. The University receives an allocation of educational and general resources from the Legislature. The allocation is developed in accordance with the General Appropriations Act, the Implementing Legislation Bill, the Legislative Appropriations Work Papers and the Letter of Intent. The University president approves the general guidelines for the allocation of educational and general resources at the University level. Within the president's guidelines and the guidelines provided by the Board of Trustees, an allocation is made to each vice-president for the functional areas under his/her direction. In coordination with the University Budget Office and the Division of Administration and Finance, a distribution is made by account/department.

Student Financial Aid. This budget consists of estimated expenditures of revenues received for loans, grants, scholarships and other student financial aid.

Contracts and Grants. This budget consists of estimated expenditures supported by various private businesses as well as federal, state and local units of government.

Auxiliary Enterprises, Intercollegiate Athletics and Concessions. Vice presidents and the University Budget Office prepare operating budget requests for these budgets based on anticipated revenues. The University Budget Office then coordinates the vice presidents' justifications of annual budget requests as required and finalized based on the Board of Trustees' guidelines. Budget revisions as required by the president are incorporated in the requests.

Faculty Practice. This budget supports the pre-opening and operating expenses for a clinical practice for MD faculty to treat patients. The target opening date for the clinic is September, 2011 in a small-scale office located in the UCF area. In addition to funding general operating costs for a physician's office, this budget also supports start-up expenses and capital for health information systems.

Student Activities. This budget consists of planned expenditures to be funded from activity and service fees which the Board of Trustees is authorized by statute to charge the students. The budget is developed and approved in accordance with Section 1009.24(9)(b), Florida Statutes.

Technology Fee. This budget consists of planned expenditures, for projects that employ technology to enhance the development and delivery of instruction and promote student learning, to be funded from a technology fee which the Board of Trustees is authorized by statute to charge the students. The budget is developed and approved in accordance with Section 1009.24, Florida Statutes.

The University submits all budgets to the Board of Trustees for approval. Approved budgets are released for expenditures to the University. All of the colleges/campuses of the University submit budget requests for additional resources annually to the University Budget Office. Any new State resources are allocated to the University of Central Florida according to the priorities set by the president, as are any University-wide reductions. A comparison of the operating budget of the University is included below for the Fiscal Years 2007-08 through 2011-12.

Operating Budget

Budget Entity	2007-08	2008-09	2009-10	2010-11	2011-12
Educational and General	$421,736,559	$420,341,637	$425,612,688	$463,762,174	$471,488,962
Student Financial Aid	268,000,000	277,415,880	394,392,977	414,112,625	526,837,052
Contracts and Grants	133,100,000	139,423,250	152,900,000	160,545,000	152,517,750
Auxiliary Enterprises	111,610,000	123,805,000	142,639,711	155,523,146	172,101,864
Intercollegiate Athletics	29,118,127	33,108,990	35,535,286	37,023,604	36,504,636
Student Activities	15,906,805	16,114,749	16,669,501	18,362,001	19,919,638
Faculty Practice (Med. School)	-	977,290	4,290,321	6,130,724	6,442,991
Technology Fee	-	-	6,000,000	7,500,000	13,000,000
Concessions	510,000	600,000	540,000	480,000	420,000
Total	$979,981,491	$1,011,786,796	$1,178,580,484	$1,263,439,274	$1,399,232,893

Sources of Revenue

Historical Summary of Revenue Sources. The following table sets forth the percentage of the University's total revenues represented by each revenue source.

Historical Summary of Revenue Sources[1]
(as a percent of total)

	Fiscal Years Ended June 30				
Fund Source	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11[2]**
State Appropriations	44%	42%	39%	38%	37%
Net Student Tuition and Fees	19%	18%	21%	27%	29%
Capital Appropriations and Grants	11%	14%	13%	4%	6%
Auxiliary Enterprises	7%	7%	6%	8%	7%
Federal Contracts, Grants and Gifts	10%	10%	11%	13%	11%
Private Contracts, Grants and Gifts	2%	3%	3%	3%	2%
State Contracts, Grants and Gifts	3%	3%	2%	2%	1%
Other Sources	4%	4%	4%	6%	7%
Total Current Fund Sources	100%	100%	100%	100%	100%

1 Numbers may not add to 100% due to rounding. Each figure has been rounded to the nearest percentage point.
2 Numbers for 2010-11 are unaudited.

Tuition and Fees. The following table lists the historical registration, tuition and local fees charged to each undergraduate student per credit hour.

Registration, Tuition and Local Fees
Undergraduate Students

	2007-08	**2008-09**	**2009-10**	**2010-11**	**2011-12**
Registration and Tuition Fees (per credit hour)					
Resident Students:					
Matriculation Fee	$73.71	$82.03	$88.59	$95.67	$103.32
Building Fee	2.32	2.32	2.32	2.32	2.32
Capital Improvement Trust Fund Fee	2.44	2.44	2.44	2.44	2.44
Differential Tuition[1]	0.00	2.32	8.41	15.88	24.96
Student Financial Aid Fee	3.68	4.10	4.42	4.78	5.16
Total (includes Registration and Tuition Fees)	$82.15	$93.21	$106.18	$121.09	$138.20
Non-Resident Students *(in addition to the above fees):*					
Tuition	$450.84	$491.41	$491.41	$491.41	$491.41
Supplemental Student Financial Aid	22.54	24.57	24.57	24.57	24.57
Total	$555.53	$609.19	$622.16	$637.07	$654.18
Local Fees[2] (per credit hour)					
Activity & Service Fee	$9.65	$10.09	$10.64	$10.79	$10.79
Athletic Fee	11.72	12.10	12.68	12.98	13.10
Health Fee[3]	8.11	8.59	8.99	9.52	9.88
Technology Fee	0.00	0.00	4.42	4.78	5.16
Transportation Access Fee[3]	7.09	7.59	7.94	8.19	9.00
Total	$36.57	$38.37	$44.67	$46.26	$47.93
Total Per Credit Hour Fees					
Resident Students	$118.72	$131.58	$150.85	$167.35	$186.13
Non-Resident Students	$592.10	$647.56	$666.83	$683.33	$702.11

1 Charged to new or re-admitted students as of Fall 2007. Students with active Florida Prepaid contracts purchased before July 1, 2007 are exempt.
2 Local fees and flat fees are assessed in addition to the Registration and Tuition Fees.
3 Charged to main campus, Rosen College, and Lake Nona campus courses only.

The following table lists the historical registration, tuition and local fees charged to each graduate student per credit hour.

Registration, Tuition and Local Fees
Graduate Students

	2007-08	2008-09	2009-10	2010-11	2011-12
Registration and Tuition Fees (per credit hour)					
Resident Students:					
Matriculation Fee	$217.95	$237.56	$237.56	$256.56	$277.08
Building Fee	2.32	2.32	2.32	2.32	2.32
Capital Improvement Trust Fund Fee	2.44	2.44	2.44	2.44	2.44
Student Financial Aid Fee	10.89	11.87	11.87	12.82	13.85
Total (includes Registration and Tuition Fees)	$233.60	$254.19	$254.19	$274.14	$295.69
Non-Resident Students *(in addition to the above fees):*					
Tuition	$692.63	$754.96	$754.96	$754.96	$754.96
Supplemental Student Financial Aid Fee	34.63	37.74	37.74	37.74	37.74
Total	$960.86	$1,046.89	$1,046.89	$1,066.84	$1,088.39
Local Fees[1] (per credit hour)					
Activity & Service Fee	$9.65	$10.09	$10.64	$10.79	$10.79
Athletic Fee	11.72	12.10	12.68	12.98	13.10
Health Fee[2]	8.11	8.59	8.99	9.52	9.88
Technology Fee	0.00	0.00	11.87	12.82	13.85
Transportation Access Fee[2]	7.09	7.59	7.94	8.19	9.00
Total	$36.57	$38.37	$52.12	$54.30	$56.62
Total Per Credit Hour Fees					
Resident Students	$270.17	$292.56	$306.31	$328.44	$352.31
Non-Resident Students	$997.43	$1,085.26	$1,099.01	$1,121.14	$1,145.01

[1] Local fees and flat fees are assessed in addition to the Registration and Tuition Fees.
[2] Charged to main campus and Rosen College, and Lake Nona campus courses only.

History of General Revenue Appropriations. The following table sets forth the history of general revenue appropriations available to the University. General Revenue appropriations are primarily funded from Florida's sales tax.

History of General Revenue Appropriations

Fiscal Year	Educational & General
2006-07	$256,309,704
2007-08	270,077,889
2008-09	250,105,091
2009-10	225,430,324
2010-11	232,973,733
2011-12 [1]	213,745,672

[1] Anticipated general revenue appropriation determined by fiscal year budget.

History of Other Revenue Sources. The following table sets forth the history of budgeted University revenues other than State general revenue appropriations, by budget entity.

History of Budgeted Revenues
Other than General Revenue Appropriations
(Source: Initial Operating Budget)

Fiscal Year	Educational & General [1]	Contracts & Grants	Auxiliary Enterprises	Other	Total
2007-08	$145,913,969	$133,100,000	$111,610,000	$313,534,932	$704,158,901
2008-09	167,596,997	139,423,250	123,805,000	328,216,909	759,042,156
2009-10	200,629,530	152,900,000	142,639,711	457,428,085	953,597,326
2010-11	234,027,640	160,545,000	155,523,146	483,608,954	1,033,704,740
2011-12	257,743,290	152,517,750	172,101,864	603,124,317	1,185,487,221

[1] Includes student tuition, Educational Enhancement funds from the State lottery program, and American Recovery and Reinvestment Act funds.

History of Financial Aid Awards. The following table sets forth the history of financial aid awards.

History of Financial Aid Awards

Source of Award	2005-06	2006-07	2007-08	2008-09	2009-10
Federal	$121,265,153	$127,175,044	$137,236,061	$173,230,777	$238,980,473
State	50,428,844	57,395,632	63,225,800	69,240,004	69,056,399
Institutional	17,582,377	19,812,606	20,878,317	23,775,785	24,176,285
Private	10,289,364	12,187,332	14,777,807	15,354,550	15,746,433
Other	124,115	82,577	66,550	40,903	9,998
Total	$199,689,853	$216,653,191	$236,184,536	$281,642,018	$347,969,588
Type of Award					
Grants	$30,874,977	$36,921,129	$42,000,932	$50,237,605	$77,685,101
Loans	104,005,055	108,950,056	116,823,454	146,743,959	182,974,963
Scholarships	63,554,781	69,549,714	75,844,980	83,078,791	85,176,048
Student Employment	1,255,040	1,232,292	1,515,170	1,581,662	2,133,475
Total	$199,689,853	$216,653,191	$236,184,536	$281,642,018	$347,969,588

Numbers may not add due to rounding.

Selected Historical Financial Information

Selected audited University financial information for Fiscal Years 2006-07 through 2010-11, is set forth in the following two tables. This selected historical information has been derived from, and should be read in conjunction with, the University's financial statements and the related notes thereto. The University's financial statements are independently audited by the State of Florida Auditor General's Office.

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Historical Summary of Statement of Net Assets (000's)

	At June 30				
ASSETS	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**[1]
Current assets:					
Cash and Cash Equivalents	$422	$1,529	$146,622	$83,604	$82,670
Restricted Cash and Cash Equivalents	-	2,284	-	-	-
Investments	173,372	202,090	138,256	271,083	305,371
Restricted Investments	-	14,783	-	-	-
Accounts Receivable, Net	29,875	31,865	33,974	31,217	33,678
Due From State	89,232	104,810	134,771	70,842	53,047
Due From Component Units/Primary Government	6,424	1,929	8,748	2,369	768
Inventories	2,414	2,214	1,994	2,107	1,935
Loans and Notes Receivable, Net	1,032	965	1,071	471	906
Other Current Assets	152	309	1,255	1,091	1,204
Total Current Assets	**$302,923**	**$362,778**	**$466,691**	**$462,784**	**$479,579**
Noncurrent Assets:					
Restricted Cash	$8,409	$77,816	$38,913	$18,728	$14,014
Restricted Investments	88,887	36,795	10,334	38,172	32,396
Loans and Notes Receivable, Net	6,707	6,968	6,625	6,463	5,164
Due from Component Units	6,298	10,346	10,448	10,354	10,353
Other Non-Current Assets	2,678	6,595	8,575	11,603	10,490
Non-depreciable Capital Assets, Net	18,046	77,374	141,429	129,758	21,441
Depreciable Capital Assets, Net	553,419	551,463	564,720	661,077	820,137
Total Non-Current Assets	**$684,444**	**$767,357**	**$781,044**	**$876,155**	**$913,993**
Total Assets	**$987,367**	**$1,130,135**	**$1,247,735**	**$1,338,939**	**$1,393,573**
LIABILITIES					
Current liabilities:					
Accounts Payable and Accrued Liabilities	$13,170	$9,574	$9,372	$9,438	$13,039
Construction Contracts Payable	6,174	20,912	16,077	18,779	8,469
Salaries and Wages Payable	14,587	16,277	17,844	17,620	8,439
Deposits Payable	9,617	6,923	4,904	5,895	5,951
Due to Component Unit/Primary Government	4,113	6,749	3,974	4,254	7,546
Deferred Revenue	16,626	18,675	14,871	10,560	12,994
Other Current Liabilities	-	-	352	400	299
Long-Term Liabilities – Current Portion:					
Capital Improvement Debt Payable	-	-	-	6,175	6,430
Bonds Payable	6,672	7,083	7,608	1,075	1,130
Loans and Notes Payable	-	690	-	-	-
Installment Purchases Payable	464	-	610	506	491
Capital Leases Payable	-	-	31	-	-
Compensated Absences Payable	1,694	2,051	2,188	2,627	2,446
Total Current Liabilities	**$73,117**	**$88,934**	**$77,831**	**$77,329**	**$67,232**
Non-Current Liabilities:					
Capital Improvement Debt Payable	-	-	-	$119,514	$113,134
Bonds and Revenue Certificates Payable	216,423	209,008	213,289	58,925	57,795
Loans and Notes Payable	-	6,100	-	4,900	3,316
Installment Purchases Payable	78	1,627	1,003	491	-
Compensated Absences Liability	26,538	27,250	29,065	30,208	32,500
Postemployment Health Care Benefits Liability	-	2,701	5,217	10,810	15,988
Other Noncurrent Liabilities	6,050	4,403	13,353	16,583	15,731
Total Non-Current Liabilities	**$249,089**	**$251,089**	**$261,927**	**$241,431**	**$238,463**
Total Liabilities	**$322,206**	**$340,023**	**$339,758**	**$318,760**	**$305,696**

[1] Numbers for Fiscal Year 2010-11 are unaudited.
Numbers may not add due to rounding.

Historical Summary of Statement of Net Assets (000's)
(continued)

	At June 30				
NET ASSETS	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11[1]**
Invested in Capital Assets, Net of Related Debt	$425,446	$480,871	$539,142	$622,708	$666,044
Restricted:					
Debt Service	32	269	1	80	1,429
Loans	9,714	9,783	3,204	3,163	3,519
Capital Projects	87,177	116,526	125,344	81,166	73,624
Other Restricted Net Assets	46,172	41,591	45,542	53,816	51,927
Unrestricted	96,620	141,072	194,744	259,246	291,335
Total Net Assets	**$665,161**	**$790,112**	**$907,977**	**$1,020,179**	**$1,087,877**
Total Liabilities and Net Assets	**$987,367**	**$1,130,135**	**$1,247,735**	**$1,338,939**	**$1,393,573**

[1] Numbers for Fiscal Year 2010-11 are unaudited.
Numbers may not add due to rounding.

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Historical Summary of Statement of Revenues, Expenses and Changes in Net Assets (000's)

	For Fiscal Years Ending June 30,				
Operating Revenues:	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11[1]**
Student Tuition and Fees	$173,274	$192,063	$221,118	$257,109	$296,538
Less: Tuition and Scholarship Allowances	(53,602)	(63,227)	(70,368)	(79,380)	(92,333)
Net Student Tuition and Fees	119,672	128,836	150,750	177,729	204,205
Federal Grants and Contracts	64,081	71,005	79,790	82,794	81,738
State and Local Grants and Contracts	16,522	20,269	17,286	11,325	9,388
Nongovernmental Grants and Contracts	10,327	17,958	19,159	16,969	15,787
Sales and Services of Auxiliary Enterprise	47,287	47,964	46,141	50,261	52,629
Interest on Loans Receivable	123	131	155	154	16
Other Operating Revenues	3,260	5,251	16,226	10,439	5,039
Total Operating Revenues	**$261,272**	**$291,414**	**$329,507**	**$349,671**	**$368,802**
Operating Expenses:					
Compensation and Employee Benefits	$365,944	$393,017	$405,626	$410,218	$438,422
Utilities and Communications	19,270	18,103	20,522	21,100	23,480
Services and Supplies	113,151	119,780	121,945	119,387	138,972
Scholarships and Fellowships	49,008	49,325	57,266	75,269	90,859
Depreciation Expenses	41,712	47,026	47,541	51,714	58,735
Total Operating Expenses	**$589,085**	**$627,251**	**$652,900**	**$677,688**	**$750,468**
Total Operating Income (Loss)	**($327,813)**	**($335,837)**	**($323,393)**	**($328,017)**	**($381,667)**
Non-Operating Revenues (Expenses):					
State Appropriations	$281,032	$291,315	$277,934	$249,905	$261,339
Federal and State Student Financial Aid	80,248	88,942	101,029	127,347	148,387
State Appropriated ARRA Funds	-	-	-	19,029	18,204
Investment Income	14,047	14,670	8,899	5,388	21,148
Other Non-Operating Revenue	8,120	6,198	181	2,299	2,071
Gain (Loss) on Disposition of Assets	(1,031)	(1,759)	(1,530)	94	21
Interest on Assets-Related Debt	(7,879)	(10,673)	(8,612)	(8,660)	(8,712)
Other Non-Operating Expenses	(27,000)	(22,127)	(32,080)	(24,738)	(32,755)
Total Non-Operating Revenues (Expenses)	**$347,537**	**$366,566**	**$345,821**	**$370,664**	**$409,704**
Income/(Loss) Before Contributions	**$19,724**	**$30,729**	**$22,428**	**$42,647**	**$28,037**
Capital Appropriations	71,127	73,145	84,530	16,557	37,169
Capital Grants, Contracts and Donations	1,661	21,077	10,907	8,247	2,492
Increase in Net Assets	**$92,512**	**$124,951**	**$117,865**	**$67,451**	**$67,699**
Net Assets, Beginning of Year	**$572,649**	**$665,161**	**$790,112**	**$907,977**	**$1,020,179**
Adjustment to Beginning Net Assets	**-**	**-**	**-**	**44,751**	**-**
Net Assets, Beginning of Year, as Restated	**$572,649**	**$665,161**	**$790,112**	**$952,728**	**$1,020,179**
Net Assets, End of Year	**$665,161**	**$790,112**	**$907,977**	**$1,020,179**	**$1,087,877**

[1] Numbers for Fiscal Year 2010-11 are unaudited.
Numbers may not add due to rounding.

Students

General. Preliminary student enrollment for the University during the fall of 2011 was 58,587. The average Scholastic Aptitude Test score of entering freshmen from the fall semester of 2011 was 1250 and the average high school grade point average was 3.87. University students have come from each county in Florida and from almost every state in the nation.

Student Enrollment. The following table shows the admission and registration data for the University of Central Florida.

Admission and Registration Headcounts and Percentages by Type of Student

	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Total Students[1]:					
No. of Applicants	36,477	39,132	48,218	48,828	50,913
No. Admitted	19,365	20,006	22,540	23,237	24,172
% of Applicants Admitted	53%	51%	47%	48%	47%
No. Enrolled	10,980	11,005	12,077	12,459	12,869
% of Admitted Enrolled	57%	55%	54%	54%	53%
First Time-in-College:					
No. of Applicants	20,128	22,030	24,667	24,857	25,671
No. Admitted	9,184	9,689	10,522	10,500	10,604
% of Applicants Admitted	46%	44%	43%	42%	41%
No. Enrolled	4,032	3,932	3,843	3,657	3,754
% of Admitted Enrolled	44%	41%	37%	35%	35%
Community College Transfers:					
No. of Applicants	7,474	7,969	8,365	9,895	11,197
No. Admitted	5,283	5,553	6,087	7,339	8,161
% of Applicants Admitted	71%	70%	73%	74%	73%
No. Enrolled	3,912	4,135	4,409	5,589	5,945
% of Admitted Enrolled	74%	74%	72%	76%	73%
Other Undergraduate Transfers:					
No. of Applicants	2,719	3,012	3,915	2,707	3,448
No. Admitted	823	581	1,438	606	757
% of Applicants Admitted	30%	19%	37%	22%	22%
No. Enrolled	459	320	927	307	379
% of Admitted Enrolled	56%	55%	64%	51%	50%
Post-Baccalaureate:					
No. of Applicants	751	781	732	633	502
No. Admitted	749	777	699	582	494
% of Applicants Admitted	99%	99%	95%	92%	98%
No. Enrolled	492	455	426	327	299
% of Admitted Enrolled	66%	59%	61%	56%	61%
Graduate:					
No. of Applicants	5,391	5,310	6,190	6,940	6,707
No. Admitted	3,317	3,391	3,722	4,080	3,950
% of Applicants Admitted	62%	64%	60%	59%	59%
No. Enrolled	2,078	2,150	2,406	2,503	2,392
% of Admitted Enrolled	63%	63%	65%	61%	61%

[1] May not equal sum of components due to some students being accounted for as an unclassified status.

The table below shows the annual full-time equivalent (FTE) enrollment of the University by level and total headcount. The full-time equivalent student calculation factor is a measure of student enrollment based on the number of student credit hours for which students enroll. Under the semester system, 15 undergraduate student credit hours or 12 graduate student credit hours are equivalent to one FTE during the fall and spring semesters. During the summer semester, 10 undergraduate student credit hours or 8 graduate student credit hours are equivalent to one FTE. Annual full-time equivalency is 40 hours for undergraduate students and 32 hours for graduate students. FTE enrollment is determined by dividing the total number of hours enrolled by all students in a specific category by the appropriate hour requirement.

Headcount and FTE Enrollment[1]

	Fall Semester Headcount			Annual FTE			
Academic Year	**Undergraduate**	**Graduate**	**Total**	**Lower Level**	**Upper Level**	**Graduate**	**Total**
2006-07	39,679	7,228	46,907	11,067	15,735	3,663	30,465
2007-08	41,488	7,211	48,699	11,448	16,840	3,612	31,900
2008-09	42,933	7,342	50,275	11,529	17,966	3,787	33,282
2009-10	45,399	8,245	53,644	11,745	19,333	3,966	35,044
2010-11	47,652	8,685	56,337	11,978	20,676	4,193	36,847
2011-12	49,900	8,687	58,587	N/A	N/A	N/A	N/A

[1] Source: UCF Office of Institutional Research.

The following table shows the official enrollment projections for the University of Central Florida for the next five years as of May 11, 2011.

Projected Headcount and FTE Enrollment[1]

		Annual FTE				
Academic Year	**Fall Semester Headcount**	**Lower Level**	**Upper Level**	**Graduate**	**Medical**	**Total**
2011-12	59,481	12,320	22,453	4,520	180	39,473
2012-13	60,755	12,524	23,305	4,529	280	40,638
2013-14	61,656	12,775	23,893	4,487	360	41,515
2014-15	63,098	13,109	24,697	4,419	420	42,645
2015-16	65,098	13,508	25,829	4,376	460	44,173

[1] Source: Office of University Assessment and Planning Support.

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The table below shows the total enrollment of students by area of origin.

Total Enrollment by Area of Origin
at time of Admission or Readmission[1]

	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Florida	45,323	46,862	50,076	52,685	54,807
New York	410	388	376	358	324
New Jersey	235	220	232	232	254
Pennsylvania	200	223	210	212	220
Georgia	167	201	201	218	208
Illinois	129	132	137	142	155
Ohio	120	128	136	129	153
Massachusetts	107	98	106	100	98
Michigan	82	89	80	90	88
All Other States	1,958	1,955	1,400	1,431	1,478
Foreign Students[2]	2,489	2,512	1,450	1,392	1,417
Total Enrollment[2]	48,682	50,246	54,644	56,337	58,587

[1] Data reported from Office of Institutional Research.
[2] While each count is correct, totals may not add up as foreign students are tracked by citizenship, but may reside in one of the United States.

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The following table shows Florida students by county of residency.

Total Enrollment by Florida County at time of Admission[1]

County	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Brevard	4,028	4,187	4,488	4,866	4,949
Broward	4,251	4,384	4,377	4,329	4,514
Dade	1,515	1,558	1,729	1,873	1,926
Duval	1,013	990	1,081	1,108	1,221
Hillsborough	1,350	1,429	1,578	1,738	1,817
Lake	1,002	1,027	1,164	1,256	1,326
Lee	629	583	613	674	727
Marion	519	573	703	787	808
Orange	10,963	11,345	12,545	13,204	13,712
Osceola	1,206	1,312	1,412	1,668	1,898
Palm Beach	2,669	2,820	2,994	3,058	3,025
Pinellas	1,686	1,663	1,729	1,711	1,611
Polk	646	661	744	786	856
Sarasota	731	740	773	767	768
Seminole	5,378	5,532	5,667	6,000	6,220
Volusia	2,211	2,286	2,230	2,279	2,290
All Other Florida Counties[2]	5,526	5,772	6,249	6,581	7,139
Total Florida	45,323	46,862	50,076	52,685	54,807

[1] Data reported from Office of Institutional Research.
[2] Combines all counties with less than 500 students in Fall 2011.

Student Recruitment. The University of Central Florida Office of Admissions is responsible for recruiting and enrolling a student body consisting of nationally outstanding academic talent. Students are recruited for whom intense study with faculty in seminars and tutorials will have rich personal meaning. The annual national campaign to recruit and enroll the fall class involves creating and updating publications; communicating with prospective students through direct mail and telecounseling campaigns; traveling to selected secondary schools, college fairs, Florida community colleges, and national and regional professional meetings of college placement counselors and admissions officers; and hosting University open houses for prospective students and their families. Affirmative action efforts include special mailings to minority students, traveling to different locations to participate in various minority programs and hosting on-campus events for students and counselors.

Student Quality Indicators. The following table shows the average high school grade point averages (GPA), Scholastic Aptitude Test (SAT) scores and American College Test (ACT) scores for first-time-in-college students at the University.

Student Quality Indicators For First-Time-In-College Students

Fall	Average High School GPA	Average SAT Score	Average ACT Score
2007	3.73	1217	26
2008	3.76	1219	26
2009	3.80	1225	27
2010	3.82	1237	27
2011	3.87	1250	27

A second measure of student quality is the University's number of National Merit Scholars and National Achievement Scholars. The table below shows the number of National Merit Scholars attending the University.

National Merit Scholars

	Continuing	New	Total
Fall 2007	78	43	121
Fall 2008	93	62	158
Fall 2009	129	55	184
Fall 2010	150	45	195
Fall 2011	156	74	230

The following table shows the degrees awarded to the students at the University of Central Florida.

Degrees Granted by Discipline

	2006-07			2007-08			2008-09			2009-10			2010-11		
Discipline	**B**	**M**	**D**	**B**	**M**	**D**	**B**	**M**	**D**	**B**	**M**	**D**	**B**	**M**	**D**
Business Mgmt	2,323	453	8	2,372	437	6	2,492	448	12	2,678	478	11	2,752	483	7
Communications	378	28	-	442	29	-	523	34	-	507	36	-	555	25	-
Computer & Info Sciences	165	38	12	149	36	14	143	39	8	126	51	16	152	59	13
Education	862	381	61	866	440	54	1,003	401	42	952	433	63	932	474	69
Engineering	483	191	72	539	241	66	459	222	69	473	211	68	587	274	66
Engr Related Tech	129	-	-	117	-	-	132	-	-	144	9	-	158	14	-
Foreign Languages	32	6	-	34	7	-	38	5	-	44	5	-	50	6	-
Health Prof	780	233	2	845	232	5	912	217	3	1,124	201	34	1,168	274	45
History	125	9	-	130	10	-	151	3	-	135	10	-	154	7	-
Law	199	-	-	218	-	-	225	-	-	251	-	-	255	-	-
Letters	257	21	3	235	38	4	211	21	6	221	16	5	257	20	5
Liberal/Gen Studies	26	-	-	36	-	-	36	-	-	60	-	-	79	-	-
Life Sciences	267	10	3	329	24	5	397	31	7	452	21	12	514	57	11
Mathematics	15	30	4	16	18	4	21	26	8	22	25	2	23	25	2
Multi/Interdisciplinary Studies	520	36	9	599	32	5	564	29	5	562	25	5	579	30	7
Parks, Rec., Leisure & Fitness	-	25	-	-	32	-	-	30	-	-	29	-	-	25	-
Philosophy/Relig	20	-	-	32	-	-	32	-	-	30	-	-	46	-	-
Physical Sciences	27	15	8	31	10	9	17	6	4	27	6	20	30	22	21
Protective Services	383	104	-	416	93	-	396	83	-	375	75	-	377	81	-
Psychology	780	57	18	851	50	18	783	41	18	849	50	10	963	62	18
Public Adm./Srv.	105	154	13	94	121	17	111	122	6	116	151	9	141	172	14
Social Sciences	389	28	-	378	13	1	416	39	4	504	48	5	583	38	7
Visual/Perf Art	372	50	-	405	67	-	406	73	-	470	81	-	461	104	-
Total (All)	**8,637**	**1,869**	**213**	**9,134**	**1,930**	**208**	**9,468**	**1,870**	**192**	**10,122**	**1,961**	**260**	**10,816**	**2,252**	**285**

Note: B= Baccalaureate Degree, M= Master's Degree, D= Doctoral Degree.

Faculty

The University has more than 2,000 faculty and more than 1,500 graduate students engaged in teaching, research and public service activities. The goals of the faculty and staff are to offer the best undergraduate education available in Florida, to achieve international prominence in key programs of graduate study and research, to provide international focus to the curricula and research programs, to become more inclusive and diverse and to be America's leading partnership university. The University's Division of Sponsored Research budget of over $133 million for research and creative activities attests to the quality of the faculty and their educational environment. In addition to the outstanding faculty, staff and program offerings, the physical facilities and the application of advanced technologies are some of the finest and most advanced in the nation.

University of Central Florida professors have won awards in art, education and technology. The University also continues to lead the way in the electronic age, one of the more than 100 universities involved in developing Internet II, which provides the ability to connect and communicate at speeds and with capabilities formerly not possible. Developed for researchers, Internet II allows for virtual reality scenarios to be shared over the new net. The Center of Distributed Learning uses high-tech methods as more professors head to the Web to teach classes or to enhance teaching.

For the fall 2010 semester, 1,145 full-time faculty were engaged in teaching, research, and public service at the University. Of the full-time faculty, 46% are tenured, and 73% of the total hold terminal degrees. During the fall of 2010, the rank of professor was held by 21% of the faculty. Other faculty ranks included associate professor (28%), assistant professor (18%), and instructor (28%) and lecturers (5%).

Faculty Data[1]

Academic Year	Faculty FTE	% Tenured[2]	Percent with Doctoral Degrees	Student/ Faculty Ratio
2006-2007	1429.4	40%	65%	28/1
2007-2008	1434.2	40%	69%	29/1
2008-2009	1428.1	42%	72%	30/1
2009-2010	1386.5	46%	72%	31/1
2010-2011	1445.5	46%	73%	31/1

[1] Data is reported on the basis of the number of full-time equivalent positions and not the actual number of faculty.
[2] Does not include tenure-earning faculty members.

Staff Data

The University has employed the following personnel:

	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010
Teaching Faculty & Adjuncts	1,734	1,756	1,771	1,727	1,827
Executive, Administrative & Managerial	254	262	282	278	292
Other Professional	1,150	1,213	1,236	1,198	1,281
Support Personnel	1,555	1,593	1,558	1,545	1,511
Graduate Assistants	1,570	1,567	1,548	1,244	1,398
Post-Doctoral & Research Associates	198	194	221	228	175
OPS Hourly	3,319	3,613	3,207	3,932	3,862
University Total	9,780	10,198	9,823	10,152	10,346

Division of Student Development and Enrollment Services

The Vice President of Student Development and Enrollment Services is responsible for the organization and administration of programs and resources committed to strengthening the University's enrollment. The Division provides transition activities, academic support services and personal development opportunities which are designed to secure an optimal student learning environment for a diverse student population. Programs administered by this division are as follows: student advising, campus life, career and placement services, community college relations, counseling, disability services, evening student services, financial aid, Greek life, health resource & wellness center, housing & residence life, international student services, lead scholars, multicultural student services, orientation, recreation and intramural sports, registrar, student government, student health services, student organizations, undergraduate admissions, veteran services and weekend student services.

Endowments and Fund Raising Efforts

The University of Central Florida Foundation, Inc. (the "Foundation") is a non-profit, tax-exempt corporation directed by a 68-member community based Board of Trustees that encourages, solicits, receives and administers private gifts and bequests of property and funds for scientific, educational and charitable purposes. All gifts to the University of Central Florida are received and processed through the Foundation for the support of the University of Central Florida. The University has recently announced a seven-year comprehensive campaign to raise $500 million that will commence in the near term.

Endowed chairs are established under terms of the 1980 Florida Eminent Scholars Act. This act provides $420,000 in State funds to match $600,000 in contributions from private sources within a six year period. The University of Central Florida has the following fully-funded endowed chairs:

- Agere Systems Eminent Scholar Chair of Computer Science
- Al and Nancy Burnett Eminent Scholar Chair in Accounting
- Bert Fish Eminent Scholar Chair in Nursing
- Carl H. Galloway, Jr. Chair for Excellence in Business
- Charles N. Millican Chair of Computer Science
- Cobb Family Eminent Scholar Chair
- Darden Chair in Restaurant Management
- Della Phillips Martha Schenck Chair of American Private Enterprise
- D. Neil Euliano Endowed Chair in Italian Studies
- Howard Phillips Eminent Scholar Endowed Chair in Real Estate
- Lockheed Martin Eminent Scholar Chair of Science and Math
- Mildred W.Coyle Eminent Scholar Endowed Chair
- Orange County Convention and Visitors Bureau Endowed Chair
- Orange County Eminent Scholar Endowed Chair in Economic Research
- Robert N. Heintzelman Eminent Scholar Endowed Chair Fund
- SunTrust, NA Eminent Scholar Chair in Banking
- William S. and Alice M. Jenkins Eminent Scholar Chair of Community Arts

The table below sets forth financial information relating to the University of Central Florida Foundation, Inc.

University of Central Florida Foundation, Inc.

Fiscal Year	Assets	Liabilities	Operating Revenues	Total Revenues	Expenses*
2006-07	$270,133,629	$47,756,806	$82,899,146	$97,052,703	$39,269,753
2007-08	255,273,791	45,111,223	23,566,718	37,769,037	49,983,292
2008-09	232,873,164	49,152,732	1,645,625	8,508,194	34,950,330
2009-10	225,958,256	41,755,173	28,917,921	34,710,350	34,227,699
2010-11	245,947,887	39,944,268	47,569,683	55,743,234	33,942,698

*All expenses of the Foundation are operating expenses.

Gifts received by the University of Central Florida are shown by restriction and giving program in the table below. The level of gifts received by the University Foundation reflects the impact of the economic climate on ability to give. As illustrated by the following table, gifts have declined since 2007 as donors were impacted by the recent recessionary economic environment.

Gift Report
Current Receipts and Deferred Additions by Restriction and Giving Program
For the Twelve Month Period Ended June 30

Giving Program	2007	2008	2009	2010	2011
Total Unrestricted Gifts	$1,079,459	$165,748	$94,872	$107,767	$388,664
Total Restricted Gifts	32,463,167	13,933,332	8,255,711	3,207,007	9,919,483
Total Endowments	9,929,582	10,812,319	2,946,605	1,928,695	4,041,305
Total Gifts Received	$43,472,208	$24,911,399	$11,297,188	$5,243,469	$14,349,452

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University of Central Florida

Finance and Accounting

November 17, 2011

Florida Division of Bond Finance
1801 Hermitage Blvd., Suite 200
Tallahassee, FL 32308

Accountant's Compilation Report

We have prepared the accompanying Statement of Net Assets of the University of Central Florida as of June 30, 2011 and the related Statements of Revenues, Expenses, and Changes in Net Assets and Cash Flows for the year then ended, in accordance with generally accepted accounting principles. These statements are currently being audited by the State of Florida Auditor General's Office; therefore, are labeled as "Unaudited."

Sincerely,

Tracy Clark

Tracy Clark
Assistant Vice President for Finance, Controller

12424 Research Parkway • Suite 300 • Orlando, FL 32826-3249 • 407-882-1000 • Fax (407) 882-1102

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2011, and should be read in conjunction with the financial statements and notes thereto. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements–and Management's Discussion and Analysis–for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38. The MD&A, and financial statements and notes thereto, are the responsibility of University management.

OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the University's financial report includes three basic financial statements: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. These component units include:

- **Blended Component Units**
  - The UCF Finance Corporation
- **Discretely Presented Component Units**
  - The University of Central Florida Foundation, Inc.
  - The University of Central Florida Research Foundation, Inc.
  - The UCF Athletics Association, Inc.
  - The UCF Convocation Corporation
  - The Golden Knights Corporation

Information regarding the discretely presented component units, including summaries of their separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. MD&A information for the discretely presented component units is included in their separately issued audit reports.

FINANCIAL HIGHLIGHTS

The University's assets totaled $1.4 billion at June 30, 2011. This balance reflects a $54.6 million, or 4.1 percent increase from June 30, 2010, primarily due to the purchase and completion of new buildings and construction work in progress. Liabilities decreased by $13.1 million, or 4.1 percent, totaling $305.7 million at June 30, 2011, compared to $318.8 million at June 30, 2010. As a result, the University's net assets increased by $67.7 million, reaching a year-end balance of $1.1 billion.

The University's operating revenues totaled $368.8 million for the 2010-11 fiscal year, representing a 5.5 percent increase over the 2009-10 fiscal year primarily due to an increase in student tuition and fees, net of scholarship allowances. Operating expenses totaled $750.5 million for the 2010-11 fiscal year, representing an increase of 10.7 percent over the 2009-10 fiscal year primarily due to an increase in scholarships and fellowships, services and supplies, and compensation and employee benefits.

Net nonoperating revenues totaled $409.7 million for the 2010-11 fiscal year, representing a 10.5 percent increase over the 2009-10 fiscal year primarily due to increased realized and unrealized gains on investments and increased Federal and State student financial aid.

THE STATEMENT OF NET ASSETS

The statement of net assets reflects the assets and liabilities of the University using the accrual basis of accounting. It presents the financial position of the University at a specified time. Net assets, or the difference between total assets and total liabilities, are one indicator of the University's current financial condition. The changes in net assets that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, liabilities, and net assets at June 30:

Condensed Statement of Net Assets
(In Thousands)

	2011	2010
Assets		
Current Assets	$ 479,580	$ 462,784
Capital Assets, Net	841,578	790,835
Other Noncurrent Assets	72,415	85,320
Total Assets	1,393,573	1,338,939
Liabilities		
Current Liabilities	67,233	77,329
Noncurrent Liabilities	238,463	241,431
Total Liabilities	305,696	318,760
Net Assets		
Invested in Capital Assets, Net of Related Debt	666,044	622,708
Restricted	130,498	138,225
Unrestricted	291,335	259,246
Total Net Assets	$ 1,087,877	$ 1,020,179

Total assets as of June 30, 2011 increased by $54.6 million, or 4.1 percent. Net capital assets increased by $50.7 million due to $74 million of purchased or completed buildings and construction work in progress, as well as $35.4 million in other fixed asset purchases net of retirements, less current year depreciation expense of $58.7 million. Significant activity during the year included the completion of Parking Garage VI, the Physical Science Building, and the Performing Arts Center; the purchase of the Pegasus Health facility and Bennett building; and the following projects currently in progress: the Combined Heat and Power Plant and the Lake Claire Recreation Center.

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The statement of revenues, expenses, and changes in net assets presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2010-11 and 2009-10 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Assets (In Thousands)

	2010-11	2009-10
Operating Revenues	$ 368,802	$ 349,671
Operating Expenses	750,469	677,689
Operating Loss	(381,667)	(328,018)
Net Nonoperating Revenues	409,704	370,665
Income Before Other Revenues, Expenses, Gains, or Losses	28,037	42,647
Other Revenues, Expenses, Gains, or Losses	39,661	24,804
Net Increase In Net Assets	67,698	67,451
Net Assets, Beginning of Year	1,020,179	907,977
Adjustments to Beginning Net Assets (1)		44,751
Net Assets, Beginning of Year, as Restated	1,020,179	952,728
Net Assets, End of Year	$ 1,087,877	$ 1,020,179

Note: (1) The University's beginning net assets for the 2009-10 fiscal year was increased for a change in the reporting of State University System Capital Improvement Trust Fund Revenue Bonds.

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities during the 2010-11 and 2009-10 fiscal years:

Operating Revenues (In Thousands)

	2010-11	2009-10
Net Tuition and Fees	$ 204,205	$ 177,729
Grants and Contracts	106,913	111,088
Sales and Services of Auxiliary Enterprises	52,629	50,261
Other	5,055	10,593
Total Operating Revenues	$ 368,802	$ 349,671

Total operating revenues increased $19.1 million, or 5.5 percent. Net student tuition and fees increased 14.9 percent. The increase was due to both an increase in enrollment of approximately 5 percent as well as an increase in the University's tuition and fee rates of approximately 11 percent.

Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net assets and has displayed the functional classification in the notes to financial statements.

The following summarizes the operating expenses by natural classifications for the 2010-11 and 2009-10 fiscal years:

Operating Expenses
(In Thousands)

	2010-11	2009-10
Compensation and Employee Benefits	$ 438,423	$ 410,218
Services and Supplies	138,972	119,387
Utilities and Communications	23,480	21,100
Scholarships, Fellowships, and Waivers	90,859	75,270
Depreciation	58,735	51,714
Total Operating Expenses	$ 750,469	$ 677,689

Total operating expenses increased $72.8 million, or 10.7 percent. Scholarships, fellowships, and waivers increased $15.6 million, or 20.7 percent, due to increased Federal Pell grants to students. Services and supplies increased $19.6 million, or 16.4 percent, primarily due to repairs, maintenance and infrastructure costs and the purchase of tangible personal property.

Nonoperating Revenues and Expenses

Certain revenue sources on which the University relies to provide funding for operations, including State appropriations, certain gifts and grants, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University's nonoperating revenues and expenses for the 2010-11 and 2009-10 fiscal years:

Nonoperating Revenues (Expenses)
(In Thousands)

	2010-11	2009-10
State Appropriations	$ 261,339	$ 249,905
Federal and State Student Financial Aid	148,387	127,347
State Appropriated American Recovery and Reinvestment Act Funds	18,205	19,029
Investment Income	21,148	5,389
Other Nonoperating Revenues	2,071	2,299
Gain on Disposal of Capital Assets	21	94
Interest on Capital Asset-Related Debt	(8,712)	(8,660)
Other Nonoperating Expenses	(32,755)	(24,738)
Net Nonoperating Revenues	$ 409,704	$ 370,665

Net nonoperating revenues increased by $39 million, or 10.5 percent. Federal and State student financial aid increased by $21 million, or 16.5 percent, primarily as a result of increased Pell Grant monies received. Investment income increased $15.7 million primarily due to an increase in realized and unrealized gains on investments.

Other Revenues, Expenses, Gains, or Losses

This category is composed mainly of capital appropriations and capital grants, contracts, and donations. The following summarizes the University's other revenues, expenses, gains, or losses for the 2010-11 and 2009-10 fiscal years:

Other Revenues, Expenses, Gains, or Losses
(In Thousands)

	2010-11	2009-10
Capital Appropriations	$ 37,169	$ 16,557
Capital Grants, Contracts, and Donations	2,492	8,247
Total	$ 39,661	$ 24,804

Capital appropriations increased $20.6 million from the prior year due to increased State funding for new buildings and improvements.

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2010-11 and 2009-10 fiscal years:

Condensed Statement of Cash Flows
(In Thousands)

	2010-11	2009-10
Cash Provided (Used) by:		
Operating Activities	$ (326,676)	$ (267,677)
Noncapital Financing Activities	420,909	377,549
Capital and Related Financing Activities	(92,073)	(37,884)
Investing Activities	(7,808)	(155,190)
Net Decrease in Cash and Cash Equivalents	(5,648)	(83,202)
Cash and Cash Equivalents, Beginning of Year	102,332	185,534
Cash and Cash Equivalents, End of Year	$ 96,684	$ 102,332

Cash and cash equivalents decreased $5.6 million. Cash outflows from operating activities increased by $59 million compared to fiscal year 2010 due to increases in payments to employees, payments to suppliers and payments to students for scholarships and fellowships. Cash inflows from noncapital financing activities increased by $43.4 million, due to an increase in State appropriations and Federal and State student financial aid. Cash outflows for capital and related financing activities increased $54.2 million due to a reduction in proceeds from the issuance of debt and other sources of capital funds. Cash outflows from investing activities decreased $147.4 million primarily due to the University investing cash balances into several investment accounts during fiscal year 2009-10 to provide diversification and security.

Major sources of funds came from State appropriations ($284.1 million), net student tuition and fees ($202.3 million), Federal and State student financial aid ($149.8 million), grants and contracts ($108.2 million), and sales and services of auxiliary enterprises ($53.7 million). Major uses of funds were for payments made to employees ($443.6 million), payments to suppliers for goods and services ($162.4 million), purchase or construction of capital assets ($120.4 million), and payments to and on behalf of students for scholarships ($90.9 million).

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2011, the University had $1,386.3 million in capital assets, less accumulated depreciation of $544.7 million, for net capital assets of $841.6 million. Depreciation charges for the current fiscal year totaled $58.7 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net
(In Thousands)

	2011	2010
Land	$ 9,685	$ 9,685
Buildings	687,609	531,881
Construction in Progress	11,460	119,777
Infrastructure and Other Improvements	33,015	34,370
Furniture and Equipment	59,875	54,551
Library Resources	27,849	27,610
Leasehold Improvements	9,133	10,439
Works of Art and Historical Treasures	1,016	828
Other Capital Assets	1,936	1,694
Capital Assets, Net	$ 841,578	$ 790,835

Additional information about the University's capital assets is presented in the notes to financial statements.

CAPITAL EXPENSES AND COMMITMENTS

Major capital expenses through June 30, 2011 were incurred on the following projects currently in progress: the Combined Heat and Power Plant; the Lake Claire Recreation Center; the Mechanical, Materials and Aerospace Engineering Laboratory; and Classroom Building II. The University's major capital commitments at June 30, 2011 were as follows:

	Amount (In Thousands)
Total Commitment	$ 17,425
Completed to Date	(11,460)
Balance Committed	**$ 5,965**

Additional information about the University's capital commitments is presented in the notes to financial statements.

DEBT ADMINISTRATION

As of June 30, 2011, the University had $182.3 million in outstanding capital improvement debt payable, bonds payable, loans and notes payable, and installment purchases payable, representing a decrease of $9.3 million, or 4.8 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

Long-Term Debt
(In Thousands)

	2011	2010
Capital Improvement Debt Payable	$ 119,564	$ 125,689
Bonds Payable	58,925	60,000
Loans and Notes Payable	3,316	4,900
Installment Purchases Payable	490	997
Total	$ 182,295	$ 191,586

Additional information about the University's long-term debt is presented in the notes to financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The primary economic factors impacting the University's ability to meet its core mission, support ongoing operations, and undertake new initiatives include the level of political and financial support from the Florida Legislature, student tuition and fee increases, and market changes in compensation and benefit packages. The University manages these factors by encouraging the conservation of resources and entrepreneurial efforts in both departments and auxiliaries.

The budget that the Florida Legislature adopted for the 2011-12 fiscal year provided a $32.3 million decrease in state appropriations for the University. This amount includes the elimination of $18.2 million of American Recovery and Reinvestment Act Funds (ARRA) which was anticipated. The Legislature did not provide additional funding for enrollment growth at State universities or salary increases for State university employees. State appropriations, as a percentage of operating revenues and non-operating revenues, represent approximately 34.1 percent of the total of these combined revenues for the 2010-11 fiscal year. The level of State support is, therefore, one of the key factors influencing the University's activities.

Gross tuition and fee revenues increased $39.4 million for the 2010-11 fiscal year. This increase was possible due to enrollment growth, a legislatively approved eight percent increase for undergraduate credit hours and a tuition differential fee that allowed the University to increase undergraduate tuition up to 15 percent. The same factors are expected to increase tuition and fee revenue for the 2011-12 fiscal year. These increases will help to offset the decline in state appropriations and the elimination of federal stimulus support.

The University's financial outlook for the future remains positive due in large part to its increasing reputation and emergence as a school of choice. The Fall 2011 enrollment of 58,532 students increased 3.9 percent over the Fall 2010 enrollment of 56,337 students. The Fall 2011 freshman class posted a UCF-record SAT score of approximately 1249 and an average high school GPA of 3.9. The class also features a UCF-record 74 National Merit Scholars. Initiatives targeted at increasing the undergraduate retention and graduation rate will continue to enhance the University's ability to attract and retain high quality students.

Once again the University finished the 2010-11 fiscal year with an increase in total net assets over the previous year and is well positioned to continue providing excellence in education programs. The University's tuition levels remain relatively low and continue to attract top students. The factors described above indicate a bright future for the University.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to Tracy Clark, CPA, Assistant Vice President for Finance, Controller, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, Florida 32826-3249.

UNIVERSITY OF CENTRAL FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET ASSETS
June 30, 2011

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 82,670,178	$ 55,174,893
Investments	305,371,414	6,053,082
Accounts Receivable, Net	33,678,350	5,378,197
Loans and Notes Receivable, Net	905,962	
Due from State	53,046,929	
Due from Component Units	768,002	1,013,696
Due from University		7,545,617
Inventories	1,935,317	
Other Current Assets	1,203,582	1,555,006
Total Current Assets	479,579,734	76,720,491
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	14,013,540	870,388
Restricted Investments	32,395,892	142,656,820
Loans and Notes Receivable, Net	5,163,596	2,696,142
Depreciable Capital Assets, Net	820,136,866	291,508,402
Nondepreciable Capital Assets	21,440,744	51,299,804
Due from Component Units	10,353,158	137,110
Other Noncurrent Assets	10,489,538	11,077,993
Total Noncurrent Assets	913,993,334	500,246,659
TOTAL ASSETS	$ 1,393,573,068	$ 576,967,150
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 13,038,888	$ 4,772,390
Construction Contracts Payable	8,468,952	
Salaries and Wages Payable	8,438,744	
Deposits Payable	5,950,901	
Due to Component Units	7,545,617	1,013,696
Due to University		768,002
Deferred Revenue	12,993,648	9,177,514
Other Current Liabilities	298,958	9,964,502
Long-Term Liabilities - Current Portion:		
Capital Improvement Debt Payable	6,430,000	
Bonds Payable	1,130,000	
Certificates of Participation Payable		6,145,000
Loans and Notes Payable		3,474,977
Installment Purchases Payable	490,514	
Capital Leases Payable		17,292
Compensated Absences Payable	2,446,242	169,189
Total Current Liabilities	67,232,464	35,502,562

UNIVERSITY OF CENTRAL FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET ASSETS (Continued)
June 30, 2011

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Capital Improvement Debt Payable	$ 113,133,762	$
Bonds Payable	57,795,000	
Certificates of Participation Payable		271,120,954
Loans and Notes Payable	3,315,922	31,241,627
Compensated Absences Payable	32,500,072	751,443
Other Postemployment Benefits Payable	15,988,000	
Due to University		10,353,158
Due to Component Units		137,110
Other Noncurrent Liabilities	15,730,658	16,000,687
Total Noncurrent Liabilities	238,463,414	329,604,979
TOTAL LIABILITIES	305,695,878	365,107,541
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	666,044,055	(2,525,054)
Restricted for Nonexpendable:		
Endowment		112,683,366
Restricted for Expendable:		
Debt Service	1,428,542	
Loans	3,518,925	
Capital Projects	73,623,904	
Other	51,926,860	66,456,262
Unrestricted	291,334,904	35,245,035
TOTAL NET ASSETS	1,087,877,190	211,859,609
TOTAL LIABILITIES AND NET ASSETS	$1,393,573,068	$ 576,967,150

The accompanying notes to financial statements are an integral part of this statement.

Unaudited

UNIVERSITY OF CENTRAL FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2011

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $92,332,762	$ 204,204,853	$
Federal Grants and Contracts	81,738,472	
State and Local Grants and Contracts	9,388,268	
Nongovernmental Grants and Contracts	15,786,575	
Sales and Services of Auxiliary Enterprises	52,629,029	
Royalties and Licensing Fees		9,799,387
Gifts and Donations		10,308,147
Interest on Loans and Notes Receivable	15,719	
Other Operating Revenues	5,038,716	103,516,011
Total Operating Revenues	368,801,632	123,623,545
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	438,422,476	12,343,862
Services and Supplies	138,972,385	74,233,793
Utilities and Communications	23,480,185	
Scholarships, Fellowships, and Waivers	90,858,509	
Depreciation	58,734,998	10,973,246
Total Operating Expenses	750,468,553	97,550,901
Operating Income (Loss)	(381,666,921)	26,072,644
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	261,339,215	
Federal and State Student Financial Aid	148,387,094	
State Appropriated American Recovery and Reinvestment Act Funds	18,204,477	
Investment Income	21,147,728	733,067
Other Nonoperating Revenues	2,070,957	7,181,997
Gain on Disposal of Capital Assets	21,187	
Interest on Capital Asset-Related Debt	(8,711,961)	(13,499,696)
Other Nonoperating Expenses	(32,754,568)	(2,460,224)
Net Nonoperating Revenues (Expenses)	409,704,129	(8,044,856)
Income Before Other Revenues, Expenses, Gains, or Losses	28,037,208	18,027,788
Capital Appropriations	37,169,150	
Capital Grants, Contracts, Donations, and Fees	2,492,202	
Additions to Permanent Endowments		4,041,305
Increase in Net Assets	67,698,560	22,069,093
Net Assets, Beginning of Year	1,020,178,630	188,976,530
Adjustment to Beginning Net Assets		813,986
Net Assets, Beginning of Year, as Restated	1,020,178,630	189,790,516
Net Assets, End of Year	$ 1,087,877,190	$ 211,859,609

The accompanying notes to financial statements are an integral part of this statement.

Unaudited

UNIVERSITY OF CENTRAL FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2011

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees, Net	$ 202,281,318
Grants and Contracts	108,227,842
Sales and Services of Auxiliary Enterprises	53,715,698
Interest on Loans and Notes Receivable	141,227
Payments to Employees	(443,566,442)
Payments to Suppliers for Goods and Services	(162,424,759)
Payments to Students for Scholarships and Fellowships	(90,858,509)
Net Repayments on Loans Issued to Students	755,841
Other Operating Receipts	5,051,335
Net Cash Used by Operating Activities	(326,676,449)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	265,884,822
Federal and State Student Financial Aid	149,842,679
State Appropriated American Recovery and Reinvestment Act Funds	18,204,477
Net Change in Funds Held for Others	6,640,951
Other Nonoperating Disbursements	(19,664,063)
Net Cash Provided by Noncapital Financing Activities	420,908,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Appropriations	50,418,813
Capital Grants, Contracts, and Donations	2,170,535
Capital Subsidies and Transfers	(6,287,895)
Other Receipts for Capital Projects	43,969
Purchase or Construction of Capital Assets	(120,415,695)
Principal Paid on Capital Debt and Leases	(9,340,261)
Interest Paid on Capital Debt and Leases	(8,661,944)
Net Cash Used by Capital and Related Financing Activities	(92,072,478)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments, Net	(15,665,130)
Investment Income	7,856,974
Net Cash Used by Investing Activities	(7,808,156)
Net Decrease in Cash and Cash Equivalents	(5,648,217)
Cash and Cash Equivalents, Beginning of Year	102,331,935
Cash and Cash Equivalents, End of Year	$ 96,683,718

Unaudited

UNIVERSITY OF CENTRAL FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2011

	University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (381,666,921)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	58,734,998
Change in Assets and Liabilities:	
Receivables, Net	(966,077)
Inventories	171,264
Other Assets	(79,514)
Accounts Payable	(88,821)
Salaries and Wages Payable	(12,433,735)
Compensated Absences Payable	2,111,769
Deferred Revenue	2,433,216
Other Postemployment Benefits Payable	5,178,000
Other Liabilities	(70,628)
NET CASH USED BY OPERATING ACTIVITIES	$ (326,676,449)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES	
Unrealized gains on investments are recognized as income on the statement of revenues, expenses, and changes in net assets, but are not considered a source of cash for the statemet of cash flows.	$ 12,654,292

The accompanying notes to financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations. The Trustees select the University President. The University President serves as the executive officer and the corporate secretary of the Trustees, and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB's) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

Blended Component Unit. Based on the application of the criteria for determining component units, the UCF Finance Corporation (Corporation) is included within the University reporting entity as a blended component unit. The purpose of the Corporation is to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University.

Discretely Presented Component Units. Based on the application of the criteria for determining component units, the following direct-support organizations (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) are included within the University reporting entity as discretely presented component units. These legally separate, not-for-profit corporations are organized and operated exclusively to assist the University to achieve excellence by providing supplemental resources from private gifts and bequests and valuable education support services. The Statute authorizes these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are as follows:

- The University of Central Florida Foundation, Inc. is a not-for-profit Florida corporation whose principal function is to provide charitable and educational aid to the University.
- The University of Central Florida Research Foundation, Inc. was organized to promote and encourage, as well as assist in, the research activities of the University's faculty, staff, and students.
- The UCF Athletics Association, Inc. was organized to promote intercollegiate athletics to benefit the University and surrounding communities.
- The UCF Convocation Corporation was created to finance and construct a convocation center, and to manage the Towers student housing and its related retail space on the north side of campus.
- The Golden Knights Corporation was created to finance, build, and administer an on-campus football stadium.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual report is submitted to the Auditor General and the University Board of Trustees. Additional information on the University's discretely presented component units, including copies of audit reports, is available by contacting the University's Assistant Vice President for Finance, Controller. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America and applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Assets
  - Statement of Revenues, Expenses, and Changes in Net Assets
  - Statement of Cash Flows
  - Notes to Financial Statements
- Other Required Supplementary Information

Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

The University's discretely presented component units use the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred, and follow GASB standards of accounting and financial reporting for State and local governmental entities.

The University applies all applicable GASB pronouncements and, in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entitles That Use Proprietary Fund Accounting*, has elected to apply FASB pronouncements issued on or before November 30, 1989 that are not in conflict with GASB standards.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been accounted for as reductions of expenses and not revenues of those departments.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation on capital assets. Nonoperating revenues include State appropriations, Federal and State student financial aid, investment income (net of unrealized gains or losses on investments), and revenues for capital construction projects. Interest on capital asset-related debt is a nonoperating expense.

The statement of net assets is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to apply the restricted resources to such programs first, before using the unrestricted resources.

The statement of revenues, expenses, and changes in net assets is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the differences between the stated charge for goods and services provided by the University and the amount that is actually paid by a student or a third party making payment on behalf of the student. The University applied "The Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Cash and Cash Equivalents - University. Amounts reported as cash and cash equivalents consist of cash on hand, cash in demand accounts, money market funds, and investments with original maturities of three months or less. The University's cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The University also holds $65,833,324 in money market funds and short-term investments. The money market funds and investments are permissible under the current investment policy and are rated AAA by Standard & Poor's. The Corporation, a blended component unit, holds $4,646,490 in money market funds. The money market funds are uninsured, but collateralized by securities held by the financial institutions, not in the name of the Corporation. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or purchase or construct capital or other restricted assets are classified as restricted.

Cash and Cash Equivalents – Discretely Presented Component Units. Amounts reported as cash and cash equivalents include $12,136,067 of cash deposited in money market accounts that are not insured by Federal deposit insurance and are not collateralized, $13,804,079 deposited in money market funds that are uninsured and collateralized by securities held by the institution not in the component unit's name, and $9,263,015 invested in short-term guaranteed investment contracts that were purchased by the component unit to invest bond proceeds for various construction projects on campus.

Capital Assets. University capital assets consist of land, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, leasehold improvements, works of art and historical treasures, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition, or at estimated fair value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $1,000 for tangible personal property and $100,000 for new buildings and improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 12 to 50 years

- Furniture and Equipment – 5 to 10 years
- Library Resources – 10 years
- Leasehold Improvements – the lesser of the remaining lease term, or the estimated useful life of the improvement
- Works of Art and Historical Treasures – 5 to 15 years
- Other Capital Assets – 5 to 10 years

Noncurrent Liabilities. Noncurrent liabilities include principal amounts of capital improvement debt payable, bonds payable, loans and notes payable, installment purchases payable, compensated absences payable, other postemployment benefits payable, and other noncurrent liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premium or discount and deferred losses on refunding. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method. Deferred losses on refundings are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method. Issuance costs paid from the debt proceeds are reported as deferred charges, and are amortized over the life of the debt using the straight-line method.

2. INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration, and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University investment manual. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University's investments at June 30, 2011, are reported at fair value, as follows:

Investment Type	Amount
External Investment Pools:	
State Treasury Special Purpose Investment Account	$ 180,422,063
State Board of Administration Florida PRIME	1,208
State Board of Administration Fund B Surplus Funds Trust Fund	243
State Board of Administration Debt Service Accounts	1,416,348
Certificates of Deposit	1,232,066
United States Government and Federally Guaranteed Obligations	42,499,060
Federal Agency Obligations	16,326,191
Bonds and Notes	39,097,435
Stocks and Other Equity Securities	42,562,233
Mutual Funds - Equities	14,210,459
Total University Investments	$ 337,767,306

Investments held by the University's component units at June 30, 2011 are reported at fair value, as follows:

Investment Type	University of Central Florida Foundation, Inc.	University of Central Florida Research Foundation, Inc.	Total
Mutual Funds - Bonds	$ 45,333,954	$	$ 45,333,954
Mutual Funds - Equities	83,715,652	49,813	83,765,465
Hedge Funds	14,532,661		14,532,661
Private Equity Funds	80,264		80,264
Real Estate Assets - REITS	165,859		165,859
Real Assets Fixed Income	1,230,517		1,230,517
Exchange Traded Funds	1,569,076		1,569,076
Stocks and Other Equity Securities	1,663,417	368,689	2,032,106
Total Component Units Investments	$ 148,291,400	$ 418,502	$ 148,709,902

External Investment Pools

State Treasury Special Purpose Investment Account. The University reported investments at fair value totaling $180,422,063 at June 30, 2011 in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The SPIA carried a credit rating of Af by Standard and Poor's and had an effective duration of 2.13 years at June 30, 2011. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

State Board of Administration Debt Service Accounts. The University reported investments at fair value totaling $1,416,348 at June 30, 2011 in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Administration for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of six months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk or credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

Other Investments

The University and its discretely presented component units invested in various debt and equity securities, money market funds, mutual funds, and certificates of deposit. The following risks apply to the University's and its discretely presented component units' investments other than external investment pools:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), Florida Statutes, the University's investments in securities must provide sufficient liquidity to pay obligations as they come due. Investments of the University and its component units in debt securities and bond mutual funds, and their future maturities at June 30, 2011, are as follows:

University Debt Investments Maturities

Investment Type	Fair Value	Investments Maturities (In Years) Less Than 1	1 - 5	More Than 5
United States Government and Federally Guaranteed Obligations	$ 42,499,060	$ 19,157,966	$ 20,328,356	$ 3,012,738
Federal Agency Obligations	16,326,191		2,895,583	13,430,608
Bonds and Notes	39,097,435	1,817,422	28,688,636	8,591,377
Total University	$ 97,922,686	$ 20,975,388	$ 51,912,575	$ 25,034,723

Component Units' Debt Investments Maturities

Investment Type	Fair Value	Investments Maturities (In Years) Less Than 1	1 - 5	More Than 5
Mutual Funds - Bonds	$ 45,333,954	$ 12,189,833	$ 30,937,087	$ 2,207,034
Real Assets Fixed Income	1,230,517		1,230,517	
Total Component Units	$ 46,564,471	$ 12,189,833	$ 32,167,604	$ 2,207,034

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the United States government or obligations explicitly guaranteed by the United States government are not considered to have credit risk and do not require disclosure of credit quality. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's component units' investment policies provide information on asset classes, target allocations, and ranges of acceptable investment categories. The following schedule represents the ratings at June 30, 2011 of the University's and its component units' debt instruments using Standard & Poor's, a nationally recognized rating agency:

University Debt Investments Quality Ratings

Investment Type	Fair Value	AAA	AA	A	Less Than A or Not Rated	
Federal Agency Obligations	$ 16,326,191	$ 15,988,823	$	$	$ 337,368	(1)
Bonds and Notes	39,097,435	23,064,069	3,707,717	10,255,162	2,070,487	(2)
Total University	$ 55,423,626	$ 39,052,892	$ 3,707,717	$ 10,255,162	$ 2,407,855	

Component Units' Debt Investments Quality Ratings

Investment Type	Fair Value	AAA	AA	A	Less Than A
Mutual Funds - Bonds	$ 45,333,954	$ 14,202,175	$ 13,363,205	$ 8,492,403	$ 9,276,171
Real Assets Fixed Income	1,230,517		1,230,517		
Total Component Units	$ 46,564,471	$ 14,202,175	$ 14,593,722	$ 8,492,403	$ 9,276,171

Notes: (1) These investments were not rated.
(2) Investments of $1,000,477 were not rated.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's or its component unit's investments in a single issuer. The University's and its component units' investment policies require diversification sufficient to reduce the potential of a single security, single sector of securities, or single style of management having a disproportionate or significant impact on the portfolio. The University's policy states that not more than five percent of the investment portfolio's assets shall be invested in securities on any one issuing company, and no single corporate bond issuer shall exceed five percent of the portfolio. The University's component units' policies require diversification of investments sufficient to reduce the potential of a single security, single sector of securities, or a single style of management having a disproportionate or significant impact on the portfolio. Guidelines for individual sectors of the portfolio further indicate percentage limitations.

3. RECEIVABLES

Accounts Receivable. Accounts receivable represent amounts for student tuition and fees, grant and contract reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2011, the University reported the following amounts as accounts receivable:

Description	Amount
Grants and Contracts	$ 16,760,148
Student Tuition and Fees	12,429,393
Other	4,488,809
Total Accounts Receivable, Net	$ 33,678,350

Loans and Notes Receivable. Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs.

Allowance for Uncollectible Receivables. Allowances for uncollectible accounts, and loans and notes receivable, are reported based on management's best estimate as of fiscal year-end considering type, age, collection history, and other factors considered appropriate. Accounts receivable, and loans and notes receivable, are reported net of allowances of $811,316 and $524,974, respectively, at June 30, 2011.

4. DUE FROM STATE

This amount consists of $53,046,929 of Public Education Capital Outlay, Capital Improvement Fees, and General Revenue due from the State to the University for construction of University facilities.

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2011 is shown next:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 9,684,659	$	$	$ 9,684,659
Works of Art and Historical Treasures	295,750			295,750
Construction in Progress	119,777,465	9,195,472	117,512,602	11,460,335
Total Nondepreciable Capital Assets	$ 129,757,874	$ 9,195,472	$ 117,512,602	$ 21,440,744
Depreciable Capital Assets:				
Buildings	$ 748,412,571	$ 182,368,617	$ 286,501	$ 930,494,687
Infrastructure and Other Improvements	48,010,062	701,996		48,712,058
Furniture and Equipment	222,435,642	27,165,234	8,255,527	241,345,349
Library Resources	102,310,878	6,044,171	169,357	108,185,692
Leasehold Improvements	16,292,259	466,816		16,759,075
Works of Art and Historical Treasures	927,276	317,248		1,244,524
Other Capital Assets	17,367,987	967,042	250,129	18,084,900
Total Depreciable Capital Assets	1,155,756,675	218,031,124	8,961,514	1,364,826,285
Less, Accumulated Depreciation:				
Buildings	216,531,341	26,593,256	238,447	242,886,150
Infrastructure and Other Improvements	13,640,111	2,057,108		15,697,219
Furniture and Equipment	167,884,317	21,824,894	8,239,117	181,470,094
Library Resources	74,701,206	5,635,571		80,336,777
Leasehold Improvements	5,853,459	1,772,810		7,626,269
Works of Art and Historical Treasures	395,426	129,105		524,531
Other Capital Assets	15,673,689	722,254	247,564	16,148,379
Total Accumulated Depreciation	494,679,549	58,734,998	8,725,128	544,689,419
Total Depreciable Capital Assets, Net	$ 661,077,126	$ 159,296,126	$ 236,386	$ 820,136,866

6. DEFERRED REVENUE

Deferred revenue includes student tuition and fees received prior to fiscal year-end related to subsequent accounting periods, auxiliary prepayments, and grant and contract prepayments. As of June 30, 2011, the University reported the following amounts as deferred revenue:

Description	Amount
Grant and Contract Prepayments	$ 7,502,235
Auxiliary Prepayments	4,655,189
Student Tuition and Fees	836,224
Total Deferred Revenue	$ 12,993,648

7. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2011 include capital improvement debt payable, bonds payable, loans and notes payable, installment purchases payable, compensated absences payable, other postemployment benefits payable, and other noncurrent liabilities. Long-term liabilities activity for the fiscal year ended June 30, 2011 is shown next:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$ 125,688,745	$	$ 6,124,983	$ 119,563,762	$ 6,430,000
Bonds Payable	60,000,000		1,075,000	58,925,000	1,130,000
Loans and Notes Payable	4,900,000		1,584,078	3,315,922	
Installment Purchases Payable	996,697		506,183	490,514	490,514
Compensated Absences Payable	32,834,545	4,664,924	2,553,155	34,946,314	2,446,242
Other Postemployment Benefits Payable	10,810,000	6,754,000	1,576,000	15,988,000	
Other Noncurrent Liabilities	16,584,335	180,000	1,033,677	15,730,658	
Total Long-Term Liabilities	$ 251,814,322	$ 11,598,924	$ 14,453,076	$ 248,960,170	$ 10,496,756

Capital Improvement Debt Payable. The University had the following capital improvement debt payable outstanding at June 30, 2011:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Auxiliary Revenue Bonds:				
1992 - Housing	$ 19,080,000	$ 413,572	6.0	2013
1997 - Bookstore	3,570,000	1,479,857	5.0 - 5.125	2017
1997 - Parking Garage II	7,960,000	3,669,229	5.15 - 5.375	2018
1999 - Parking Garage III	8,435,000	4,648,808	4.25 - 4.75	2020
2000 - Housing	31,695,000	26,370,690	4.875 - 5.25	2031
2001 - Parking Garage IV	7,770,000	5,034,963	4.45 - 5.0	2022
2002 - Housing	14,055,000	9,606,227	3.5 - 4.5	2021
2004A - Student Health Center	8,000,000	5,858,220	4.0 - 5.0	2024
2004A - Parking Garage V	18,455,000	12,320,015	3.5 - 4.2	2024
2007A - Housing	38,780,000	35,694,258	4.0 - 5.5	2030
2010A - Parking Garage VI	3,855,000	3,327,923	4.0	2016
2010B - Parking Garage VI	11,140,000	11,140,000	4.5 - 6.2	2029
Total Capital Improvement Debt	$ 172,795,000	$ 119,563,762		

Note: (1) Amount outstanding includes unamortized discounts and premiums, and deferred losses on refunding issues.

The capital improvement revenue bonds are payable solely from traffic and parking fees, housing rental revenues, bookstore revenues, and an assessed transportation and health fee on credit hours through 2031. The University has pledged a portion of these fees and revenues to repay $119,563,762 in capital improvement revenue bonds issued by the Florida Board of Governors on behalf of the University. Total principal and interest remaining on the debt is $175,261,910, and principal and interest paid for the current year totaled $12,167,330. During the 2010-11 fiscal year, operating revenues generated from bookstore revenues; housing rental revenues; parking and transportation fees; and health service facility fees totaled $1,778,198, $23,535,761, $16,416,874, and $15,938,844, respectively.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2011 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2012	$ 6,430,000	$ 5,730,993	$ 12,160,993
2013	6,715,000	5,450,275	12,165,275
2014	6,995,000	5,160,854	12,155,854
2015	7,315,000	4,856,280	12,171,280
2016	7,630,000	4,538,693	12,168,693
2017-2021	36,760,000	17,440,773	54,200,773
2022-2026	28,485,000	9,128,669	37,613,669
2027-2031	20,275,000	2,350,373	22,625,373
Subtotal	120,605,000	54,656,910	175,261,910
Less: Net Discounts, Premiums and Losses on Bond Refundings	1,041,238		1,041,238
Total	$ 119,563,762	$ 54,656,910	$174,220,672

Bonds Payable. The Corporation issued $60 million in bonds payable to finance the cost of the construction of the Burnett Biomedical Sciences building, part of the University's medical school. The bonds are secured by indirect cost revenues received by the University from Federal, State, and private grants and further secured by a letter of credit issued by a local bank not to exceed $60 million. The bonds are variable interest rate bonds with an interest rate of 4.54 percent at June 30, 2011. They mature on July 1, 2037.

The University agreed to use a ground sublease to lease to its blended component unit, the Corporation, a parcel of property located in Orange County, Florida where approximately 198,000 square feet of classroom, laboratory, and administrative office space, together with related infrastructure was constructed. The facilities are used solely for education and research purposes and is operated and managed by the University. The University and the Corporation entered into an agreement where the Corporation leases the facilities to the University for the occupancy of the facilities.

The University has agreed to pay a base rent equal to all amounts due and payable under the bond indenture and all amounts required to be paid associated with the bond issuance.

Annual requirements to amortize the outstanding bonds as of June 30, 2011 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2012	$ 1,130,000	$ 2,578,558	$ 3,708,558
2013	1,175,000	2,529,109	3,704,109
2014	1,240,000	2,477,691	3,717,691
2015	1,295,000	2,423,429	3,718,429
2016	1,355,000	2,366,760	3,721,760
2017-2021	7,790,000	10,886,613	18,676,613
2022-2026	9,805,000	9,013,466	18,818,466
2027-2031	12,335,000	6,657,865	18,992,865
2032-2036	15,520,000	3,692,906	19,212,906
2037-2038	7,280,000	481,578	7,761,578
Total	$ 58,925,000	$ 43,107,975	$ 102,032,975

The Corporation entered into an interest rate swap agreement in connection with its $60 million variable-rate bond issuance as a means to lower its borrowing costs, when compared with fixed-rate bonds at the time of their issuance in June 2007. The Corporation utilizes such derivatives to manage the risk of rising interest rates on its variable interest rate-based debt. The counterparty to the interest rate swap agreement is a regional bank. Credit loss from counterparty nonperformance is not anticipated. Under the swap agreement, the Corporation pays the counterparty a fixed payment of 4.38 percent and receives a variable payment based on the Securities Industry and Financial Market Association swap index (0.09 percent at June 30, 2011). The variable-rate coupons of the bonds are reset weekly by auction. As of June 30, 2011, the Corporation was not exposed to credit risk on this swap agreement because it had a negative fair value of $8,793,996, which is reported in other noncurrent liabilities on the statement of net assets. This liability reflects the theoretical settlement amount the Corporation would have to pay on June 30, 2011 to cancel the interest swap agreement. The liability is estimated based on valuation models. If interest rates change and the fair value of the swap agreement becomes positive, the Corporation would have a gross exposure to credit risk in the amount of the derivative's fair value. In accordance with the Corporation's policy to mitigate the potential for credit risk, the Corporation requires that the fair value of the swap agreement be fully collateralized by a letter of credit if the counterparty's credit quality falls below AA/Aa.

The University entered into a support agreement such that it will fund certain deficiencies that may arise in the event the Corporation is unable to make the minimum payments on the bonds. The University is obligated only to the extent it has legally available revenues to cover the unpaid amounts.

Loans and Notes Payable. In the 2007-08 fiscal year, the Corporation entered into a line of credit agreement of $37 million with a local bank. During the 2009-10 fiscal year, this line of credit was terminated and a note was created for the $4.9 million outstanding amount. The proceeds of the note were used for the construction of a health facility for the University's medical school. The note carries a variable interest rate of 63.7 percent of one month LIBOR (0.185 percent at June 30, 2011) plus 1.35 percent. It matures in July 2012. The Corporation is required to make interest-only payments until the principal is due July 1, 2012. The note is collateralized by designated revenues for the payment of debt service. At June 30, 2011, the total outstanding balance of the note was $3,315,922.

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors' Regulations, University Regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2011, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $34,946,314. The current portion of the compensated absences liability is the amount expected to be paid in the coming fiscal year, and is based on actual payouts over the last three years calculated as a percentage of those years' total compensated absences liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

Plan Description. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program, an agent multiple-employer defined-benefit plan (Plan). The University subsidizes the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. A stand-alone report is not issued and the Plan information is not included in the report of a public employee retirement system or another entity.

Funding Policy. Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The University has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis. For the

2010-11 fiscal year, 450 retirees received postemployment healthcare benefits. The University provided required contributions of $1,576,000 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums. Retiree contributions totaled $2,556,000.

Annual OPEB Cost and Net OPEB Obligation. The University's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation:

Description	Amount
Normal Cost (Service Cost for One Year)	$ 3,751,000
Amortization of Unfunded Actuarial Accrued Liability	2,674,000
Interest on Normal Cost and Amortization	257,000
Annual Required Contribution	6,682,000
Interest on Net OPEB Obligation	432,000
Adjustment to Annual Required Contribution	(360,000)
Annual OPEB Cost (Expense)	6,754,000
Contribution Toward the OPEB Cost	(1,576,000)
Increase in Net OPEB Obligation	5,178,000
Net OPEB Obligation, Beginning of Year	10,810,000
Net OPEB Obligation, End of Year	$ 15,988,000

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2011, and for the two preceding years, were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008-09	$ 3,850,000	38.9%	$ 5,217,000
2009-10	7,149,000	21.8%	10,810,000
2010-11	6,754,000	23.3%	15,988,000

Funded Status and Funding Progress. As of July 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $83,256,000 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $83,256,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $255,712,129 for the 2009-10 fiscal year and the ratio of the unfunded actuarial accrued liability to the covered payroll was 32.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The University's OPEB actuarial valuation as of July 1, 2009 used the entry-age cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2011 and the University's 2010-11 fiscal year ARC. This method was selected because it is the same method used for the valuation of the Florida Retirement System. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 4 percent per year. Initial healthcare cost trend rates were 9.02 percent, 9.47 percent, and 9.62 percent for the first three years, for all retirees in the Preferred Provider Option (PPO) Plan, and 7.11 percent, 10.5 percent and 10.5 percent for the first three years for all retirees in the Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates are both 6.6 percent in the fourth year grading identically to 5.10 percent over 70 years. The unfunded actuarial accrued liability is being amortized over 30 years using the level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011 was 26 years.

<u>Other Noncurrent Liabilities</u>. Other noncurrent liabilities include the liability for the Federal Perkins Loan Program and the liability for an interest rate swap agreement. The University participates in the Federal Perkins Loan Program. Under this program, the University receives Federal capital contributions that must be returned to the Federal Government if the program has excess cash or the University ceases to participate in the program. Federal capital contributions held by the University totaled $6,756,662 at June 30, 2011.

As described previously in the Bonds Payable paragraph above, the University's blended component unit (Corporation) entered into an interest rate swap agreement in connection with its $60 million bond issuance. As of June 30, 2011, this interest rate swap agreement had a negative fair value of $8,793,996.

Certificate of Participation Payable – Component Units. During the 2004-05 and 2005-06 fiscal years, two certificates of participation were issued by the UCF Convocation Corporation to fund the construction of four residential housing towers, two adjacent parking facilities, and certain surrounding commercial retail space. Also during the 2005-06 fiscal year, the Convocation Corporation issued two additional certificates of participation to fund the acquisition, construction, and installation of a new convocation center; renovation of the existing University Arena; and construction of related infrastructure. The outstanding balance of these certificates at June 30, 2011 was $228,025,000, before an unamortized premium of $4,970,811.

During the 2006-07 fiscal year, certificates of participation were issued by the Golden Knights Corporation for the construction of a football stadium on the campus of the University. The outstanding balance of these certificates at June 30, 2011 was $43,770,000, before an unamortized premium of $500,143. The certificates are secured by a pledge from the University of Central Florida Athletic Association, Inc. of gross ticket revenues, stadium club seats, and luxury suite contributions.

The University entered into support agreements with the UCF Convocation Corporation and the Golden Knights Corporation such that it will fund certain deficiencies that may arise in the event either corporation is unable to make the minimum payments on the bonds. The University is obligated only to the extent it has legally available revenues to cover the unpaid amounts.

8. RETIREMENT PROGRAMS

Florida Retirement System. Essentially all regular employees of the University are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. FRS is a single retirement system administered by the Department of Management Services, Division of Retirement and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These programs include a defined-benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the Public Employee Optional Retirement Program (PEORP).

Employees in the Plan vest at six years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The State of Florida establishes contribution rates for participating employers. Contribution rates during the 2010-11 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	10.77
Florida Retirement System, Senior Management Service	0.00	14.57
Florida Retirement System, Special Risk	0.00	23.25
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.25
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon retirement class in which reemployed.

The University's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the University. The University's contributions for the fiscal years ended June 30, 2009, June 30, 2010, and June 30, 2011, totaled $9,086,471, $9,088,946, and $10,553,207, respectively, which were equal to the required contributions for each fiscal year.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the PEORP in lieu of the FRS defined-benefit plan. University employees already participating in the State University System Optional Retirement Program or the DROP are not eligible to participate in this program. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in PEORP vest at one year of service. There were 568 University participants during the 2010-11 fiscal year. Required contributions made to the PEORP totaled $2,350,008.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services. An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for six or more years.

The Program is a defined-contribution plan, that provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes on behalf of the participant 10.43 percent of the participant's salary, less a small amount used to cover administrative costs. The remaining contribution is invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement. The participant may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the university to the participant's annuity account.

There were 2,047 University participants during the 2010-11 fiscal year. Required employer contributions made to the Program totaled $15,957,988 and employee contributions totaled $6,846,679.

9. CONSTRUCTION COMMITMENTS

The University's major construction commitments at June 30, 2011 are as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Combined Heat and Power Plant	$ 7,773,899	$ 6,525,860	$ 1,248,039
Lake Claire Recreation Area	3,864,884	3,679,659	185,225
Mechanical, Materials and Aerospace Engineering Laboratory	1,687,944	369,194	1,318,750
Classroom Building II	1,428,515	159,623	1,268,892
Other	2,670,018	725,999	1,944,019
Total	$ 17,425,260	$ 11,460,335	$ 5,964,925

10. OPERATING LEASE COMMITMENTS

The University leased buildings under operating leases that expire in 2016. These leased assets and the related commitments are not reported on the University's statement of net assets. Operating lease payments are recorded as expenses when paid or incurred. Outstanding commitments resulting from these lease agreements are contingent upon future appropriations. Future minimum lease commitments for noncancelable operating leases are as follows:

Fiscal Year Ending June 30	Amount
2012	$ 9,967,621
2013	9,740,602
2014	3,587,819
2015	1,901,135
2016	353,637
Total Minimum Payments Required	$ 25,550,814

11. RISK MANAGEMENT PROGRAMS

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, automobile liability, Federal Civil Rights, and employment discrimination liability. For property losses during the 2010-11 fiscal year, the State retained the first $2 million of losses for each occurrence with an annual aggregate retention of $40 million for named wind and flood losses and no annual aggregate retention for all other named perils. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $61 million for named wind and flood perils. For perils other than named wind and flood, losses in excess of $2 million per occurrence were commercially insured up to $200 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automobile liability, Federal Civil Rights, and employment discrimination liability coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to $100,000 per person and $200,000 per occurrence as set by Section 768.28, Florida Statutes. These limits will be increased to $200,000 per person and $300,000 per occurrence for losses occurring after October 1, 2011. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past three fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

12. LITIGATION

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's legal counsel and management, should not materially affect the University's financial position.

13. FUNCTIONAL DISTRIBUTION OF OPERATING EXPENSES

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of academic departments for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net assets are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Instruction	$ 234,258,157
Research	96,440,863
Public Services	6,402,518
Academic Support	53,448,396
Student Services	34,215,358
Institutional Support	73,652,996
Operation and Maintenance of Plant	40,592,553
Scholarships and Fellowships	90,858,509
Depreciation	58,734,998
Auxiliary Enterprises	61,443,049
Loan Operations	421,156
Total Operating Expenses	$ 750,468,553

14. SEGMENT INFORMATION

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, and liabilities are required to be accounted for separately. The following financial information for the University's Bookstore, Housing, Parking, and Health Services facilities represents identifiable activities for which one or more capital improvement debt instruments are outstanding:

Condensed Statement of Net Assets

	Bookstore Capital Improvement Debt	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt	Health Service Facility Capital Improvement Debt
Assets				
Current Assets	$ 2,582,477	$ 9,407,565	$ 8,925,001	$ 3,925,410
Capital Assets, Net	3,317,589	70,542,770	53,553,187	9,083,162
Other Noncurrent Assets	585,920	4,180,372	8,890,646	2,151,218
Total Assets	6,485,986	84,130,707	71,368,834	15,159,790
Liabilities				
Current Liabilities	220,777	6,794,434	3,726,151	640,579
Noncurrent Liabilities	1,259,858	69,510,558	37,396,635	5,994,911
Total Liabilities	1,480,635	76,304,992	41,122,786	6,635,490
Net Assets				
Invested in Capital Assets, Net of Related Debt	1,870,051	(674,810)	13,983,561	3,313,067
Restricted - Expendable	560,062	3,376,079	7,963,475	2,072,491
Unrestricted	2,575,238	5,124,446	8,299,012	3,138,742
Total Net Assets	$ 5,005,351	$ 7,825,715	$ 30,246,048	$ 8,524,300

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	Bookstore Capital Improvement Debt	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt	Health Service Facility Capital Improvement Debt
Operating Revenues	$ 1,778,198	$ 23,535,761	$ 16,416,874	$ 15,938,844
Depreciation Expense	(164,831)	(3,660,553)	(1,863,496)	(563,524)
Other Operating Expenses	(441,847)	(11,906,830)	(8,711,514)	(12,970,326)
Operating Income	1,171,520	7,968,378	5,841,864	2,404,994
Nonoperating Revenues (Expenses):				
Nonoperating Revenue	118,502	698,744	873,725	235,458
Interest Expense	(86,813)	(3,727,757)	(1,733,021)	(289,839)
Other Nonoperating Expense	(10,387)	(1,041,498)	(57,382)	(9,771)
Net Nonoperating Revenues (Expenses)	21,302	(4,070,511)	(916,678)	(64,152)
Income Before Other Revenues Expenses, Gains, or Losses	1,192,822	3,897,867	4,925,186	2,340,842
Other Revenue, Expenses, Gains, or Losses	640,188	(1,206,709)	(328,837)	(719,882)
Increase in Net Assets	1,833,010	2,691,158	4,596,349	1,620,960
Net Assets, Beginning of Year	3,172,341	5,134,557	25,649,699	6,903,340
Net Assets, End of Year	$ 5,005,351	$ 7,825,715	$ 30,246,048	$ 8,524,300

Condensed Statement of Cash Flows

	Bookstore Capital Improvement Debt	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt	Health Service Facility Capital Improvement Debt
Net Cash Provided (Used) by:				
Operating Activities	$ 1,336,830	$ 11,338,835	$ 7,656,265	$ 2,543,669
Noncapital Financing Activities	213,378	(2,638,979)	(576,253)	(796,367)
Capital and Related Financing Activities	(283,160)	(8,981,764)	(16,697,587)	(840,903)
Investing Activities	(981,797)	29,783	9,774,313	(791,395)
Net Increase (Decrease) in Cash and Cash Equivalents	285,251	(252,125)	156,738	115,004
Cash and Cash Equivalents, Beginning of Year	421,031	2,751,177	2,833,651	1,110,704
Cash and Cash Equivalents, End of Year	$ 706,282	$ 2,499,052	$ 2,990,389	$ 1,225,708

15. COMPONENT UNITS

The University has five discretely presented component units as discussed in note 1. These component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

	University of Central Florida Foundation, Inc.	University of Central Florida Research Foundation, Inc.	UCF Athletics Association, Inc.	UCF Convocation Corporation	Golden Knights Corporation	Total
Condensed Statement of Net Assets						
Assets:						
Current Assets	$ 25,222,080	$ 7,200,742	$ 4,324,367	$ 30,464,638	$ 9,508,664	$ 76,720,491
Capital Assets, Net	74,579,009	12,411,750	16,863,831	185,767,292	53,186,324	342,808,206
Other Noncurrent Assets	146,146,798	418,502	137,110	9,051,352	1,684,691	157,438,453
Total Assets	245,947,887	20,030,994	21,325,308	225,283,282	64,379,679	576,967,150
Liabilities:						
Current Liabilities	5,788,340	4,663,087	11,293,537	10,573,198	3,184,400	35,502,562
Noncurrent Liabilities	34,155,928		10,913,097	227,865,811	56,670,143	329,604,979
Total Liabilities	39,944,268	4,663,087	22,206,634	238,439,009	59,854,543	365,107,541
Net Assets:						
Invested in Capital Assets, Net of Related Debt	43,204,001		9,476,240	(50,022,022)	(5,183,273)	(2,525,054)
Restricted	147,633,215	637,163		23,067,095	7,802,155	179,139,628
Unrestricted	15,166,403	14,730,744	(10,357,566)	13,799,200	1,906,254	35,245,035
Total Net Assets	$ 206,003,619	$ 15,367,907	$ (881,326)	$ (13,155,727)	$ 4,525,136	$ 211,859,609
Condensed Statement of Revenues, Expenses, and Changes in Net Assets						
Operating Revenues	$ 47,569,683	$ 5,408,146	$ 37,521,174	$ 29,972,688	$ 3,151,854	$ 123,623,545
Operating Expenses	(33,942,698)	(5,708,091)	(35,135,044)	(20,078,692)	(2,686,376)	(97,550,901)
Operating Income (Loss)	13,626,985	(299,945)	2,386,130	9,893,996	465,478	26,072,644
Net Nonoperating Revenues (Expenses)	4,132,246	17,142	(2,604,383)	(9,073,233)	(516,628)	(8,044,856)
Other Revenues, Expenses, Gains, and Losses	4,041,305					4,041,305
Increase (Decrease) in Net Assets	21,800,536	(282,803)	(218,253)	820,763	(51,150)	22,069,093
Net Assets, Beginning of Year	184,203,083	14,836,724	(663,073)	(13,976,490)	4,576,286	188,976,530
Adjustment to Beginning Net Assets (1)		813,986				813,986
Net Assets, Beginning of Year, as Restated	184,203,083	15,650,710	(663,073)	(13,976,490)	4,576,286	189,790,516
Net Assets, End of Year	$ 206,003,619	$ 15,367,907	$ (881,326)	$ (13,155,727)	$ 4,525,136	$ 211,859,609

Note: (1) The Research Foundation recorded a prior period adjustment to correct the recording of contribution income, both temporarily restricted and unrestricted, as income in the period received, and to record the release of temporary restrictions in the period the restrictions were accomplished.

16. SUBSEQUENT EVENTS

(Include as appropriate. Disclosure is required of any significant events directly affecting the University between June 30, 2011 and the report date. Describe the nature of any significant subsequent events such as the issuance of debt; creation of a new component unit; or loss of facility as a result of tornado, fire or flood.

UNIVERSITY OF CENTRAL FORIDA
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS –
OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2007	$	$ 52,106,000	$ 52,106,000	0%	$ 255,646,117	20.4%
7/1/2009	$	$ 83,256,000	$ 83,256,000	0%	$ 255,712,129	32.6%

Notes: (1) The entry-age, actuarial cost method was used to calculate the actuarial accrued liability.

1. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS PLAN

The July 1, 2009 unfunded actuarial liability of $83,256,000 was significantly higher than the July 1, 2007 liability of $52,106,000. The primary factors that caused the change were increases in the number of employees and retirees included in the valuation, changes in the long-term trend model for future retiree healthcare benefits, changes in the rates of decrement and mortality and the amortization factor, and changes in the coverage election assumption from 35 percent to 50 percent to more closely reflect experience over the last two fiscal years.

STATE OF FLORIDA, FLORIDA BOARD OF EDUCATION, DIVISION OF COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES

UNIVERSITY OF CENTRAL FLORIDA

HOUSING FACILITY FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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Finance and Accounting

November 1, 2011

Mr. Raymond K. Petty
Division of Bond Finance
Post Office Box 13300
Tallahassee, FL 32317-3300

Dear Mr. Petty:

We have compiled the accompanying Statement of Net Assets; Statement of Revenues, Expenses and Changes in Net Assets; and Statement of Cash Flows for the year ended June 30, 2011. These statements were prepared for use in conjunction with the State of Florida, Florida Board of Education, University of Central Florida Housing Facility in compliance with continuing disclosure requirements.

These statements have not been audited and are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38.

Sincerely,

Tracy Clark

Tracy Clark
Assistant Vice President for Finance,
Controller

cc: Ms. Vanessa Fortier
Ms. Christi Hartzler
Mr. Peter Mitchell
Mr. John Pittman

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University of Central Florida Housing Facility (Housing Facility) for the fiscal year ended June 30, 2011, and should be read in conjunction with the financial statements and notes thereto. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38. The MD&A, and financial statements and notes thereto, are the responsibility of the Housing Facility's management.

OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the Housing Facility's financial report includes three basic financial statements: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows.

FINANCIAL HIGHLIGHTS

The Housing Facility's assets totaled $84.1 million at June 30, 2011. This balance reflects a $747 thousand, or 0.9 percent decrease from June 30, 2010. Liabilities decreased by $3.4 million or 4.3 percent, totaling $76.3 million at June 30, 2011, compared to $79.7 million at June 30, 2010. As a result, the Housing Facility's net assets increased by $2.7 million, ending the year with a balance of $7.8 million.

The Housing Facility's operating revenues totaled $23.5 million for the 2010-11 fiscal year, representing a 3.3 percent increase over the 2009-10 fiscal year primarily due to an increase in housing room rental charges. Operating expenses totaled $15.6 million for the 2010-11 fiscal year, representing an increase of 3.1 percent over the 2009-10 fiscal year. The majority of the increase is related to repairs and maintenance on various housing facilities.

THE STATEMENT OF NET ASSETS

The statement of net assets reflects the assets and liabilities of the Housing Facility, using the accrual basis of accounting, and presents the financial position of the Housing Facility at a specified time. Net assets, or the difference between total assets and total liabilities are one indicator of the Housing Facility's current financial condition. The changes in net assets that occur over time indicate improvement or deterioration in the Housing Facility's financial condition.

The following summarizes the Housing Facility's assets, liabilities, and net assets at June 30:

Condensed Statement of Net Assets
(In Thousands)

	2011	2010
Assets		
Current Assets	$ 9,408	$ 7,639
Capital Assets, Net	70,543	73,478
Other Noncurrent Assets	4,180	3,760
Total Assets	84,131	84,877
Liabilities		
Current Liabilities	6,794	7,211
Noncurrent Liabilities	69,511	72,532
Total Liabilities	76,305	79,743
Net Assets		
Invested in Capital Assets, Net of Related Debt	(674)	(467)
Restricted	3,376	2,894
Unrestricted	5,124	2,707
Total Net Assets	$ 7,826	$ 5,134

Total Net Assets as of June 30, 2011 increased by $2.7 million compared to June 30, 2010 due to an increase in current assets by $1.8 million primarily due to an advance funding for construction, a decrease in capital assets of $2.9 million primarily due to depreciation, and a decrease in liabilities of $3.4 million due to scheduled principal payments on capital improvement debt

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The statement of revenues, expenses, and changes in net assets presents the Housing Facility's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the Housing Facility's activity for the 2010-11 and 2009-10 fiscal years:

Condensed Statement of Revenue, Expenses, and Changes in Net Assets (In Thousands)

	2010-11	2009-10
Operating Revenues	$ 23,535	$ 22,783
Operating Expenses	15,567	15,102
Operating Income	7,968	7,681
Net Nonoperating Expenses	(4,070)	(4,726)
Income Before Other Revenues, Expenses, Gains, or Losses	3,898	2,955
Transfers to University Departments	(1,206)	(967)
Net Increase In Net Assets	2,692	1,988
Net Assets, Beginning of Year	5,134	3,146
Net Assets, End of Year	$ 7,826	$ 5,134

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities during the 2010-11 and 2009-10 fiscal years:

Operating Revenues (In Thousands)

	2010-11	2009-10
Housing Room Rentals and Other Revenue	$ 23,237	$ 22,553
Other Operating Revenues	298	230
Total Operating Revenues	$ 23,535	$ 22,783

Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the Housing Facility's expenses are operating expenses, as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The Housing Facility has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net assets and has displayed the functional classification in the notes to the financial statements.

The following summarizes the operating expenses by the natural classifications for the 2010-11 and 2009-10 fiscal years:

Operating Expenses
(In Thousands)

	2010-11	2009-10
Compensation and Employee Benefits	$ 6,330	$ 6,167
Services and Supplies	3,312	3,100
Utilities and Communications	2,204	2,195
Scholarships and Fellowships	60	47
Depreciation	3,661	3,593
Total Operating Expenses	**$ 15,567**	**$ 15,102**

Total Services and Supplies increased by $212 thousand, or 6.8 percent as a result of interior painting and carpet installations for various housing facilities.

Nonoperating Revenues and Expenses

Certain revenue sources on which the Housing Facility relies to provide funding for operations, including net investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets.

The following summarizes the Housing Facility's nonoperating revenues and expenses for the 2010-11 and 2009-10 fiscal years:

Nonoperating Revenues (Expenses)
(In Thousands)

	2010-11	2009-10
Investment Income, Net	$ 523	$ 118
Other Nonoperating Revenues	175	268
Loss on Disposal of Capital Assets	(35)	(6)
Interest on Capital Asset-Related Debt	(3,727)	(3,906)
Other Nonoperating Expenses	(1,006)	(1,200)
Net Nonoperating Expenses	**$ (4,070)**	**$ (4,726)**
Transfers to University Departments	**$ (1,206)**	**$ (967)**

The Housing Facility's net nonoperating expenses decreased $656 thousand, or 13.9 percent over the 2009-10 fiscal year. Net investment income increased $405 thousand due to an increase in realized and unrealized gains on investments. Other nonoperating expenses decreased by $194 thousand, due to a decrease of funding transfers to other external housing facilities.

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the Housing Facility's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Housing Facility's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash provided by the operating activities of the Housing Facility. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from the noncapital financing activities include those activities not covered in other sections.

The following table summarizes cash flows for the 2010-11 and 2009-10 fiscal years:

Condensed Statement of Cash Flows
(In Thousands)

	2010-11	2009-10
Cash Provided (Used) by:		
Operating Activities	$ 11,339	$ 11,368
Noncapital Financing Activities	(2,639)	(1,944)
Capital and Related Financing Activities	(8,982)	(8,124)
Investing Activities	30	(4,341)
Net Decrease in Cash and Cash Equivalents	(252)	(3,041)
Cash and Cash Equivalents, Beginning of Year	2,751	5,792
Cash and Cash Equivalents, End of Year	$ 2,499	$ 2,751

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2011, the Housing Facility had $108.2 million in capital assets, less accumulated depreciation of $37.7 million, for net capital assets of $70.5 million. Depreciation charges for the current fiscal year totaled $3.7 million.

The following table summarizes the Housing Facility's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net
(In Thousands)

	2011	2010
Buildings	$ 69,704	$ 72,940
Furniture and Equipment	465	538
Construction in Progress	374	
Capital Assets, Net	$ 70,543	$ 73,478

Additional information about the Housing Facility's capital assets is presented in the notes to the financial statements.

DEBT ADMINISTRATION

As of June 30, 2011, the Housing Facility had $72.1 million in outstanding capital improvement debt, representing a decrease of $2.8 million or 3.7 percent, from June 30, 2010. The decrease is the result of scheduled principal payments on current debt.

The following table summarizes the outstanding long-term debt for the fiscal years ended June 30:

Long-Term Debt
(In Thousands)

	2011	2010
Capital Improvement Debt	$ 72,085	$74,870
Total	$ 72,085	$74,870

Additional information about the Housing Facility's long-term debt is presented in the notes to the financial statements.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Tracy Clark, CPA, Assistant Vice President for Finance, Controller, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, Florida 32826-3249.

UNIVERSITY OF CENTRAL FLORIDA
CONSOLIDATED HOUSING FACILITY
STATEMENT OF NET ASSETS
June 30, 2011

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 1,660,734
Investments	5,029,527
Accounts Receivable, Net	528,412
Due from Other University Departments	399,285
Deferred Charges and Other Assets	1,789,607
Total Current Assets	9,407,565
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	838,318
Restricted Investments	2,532,620
Deferred Charges and Other Assets	809,434
Depreciable Capital Assets, Net	70,168,390
Nondepreciable Capital Assets	374,380
Total Noncurrent Assets	74,723,142
TOTAL ASSETS	$ 84,130,707
LIABILITIES	
Current Liabilities:	
Accounts Payable	188,303
Salaries and Wages Payable	103,440
Deposits Payable	100,000
Due to Component Units	60,000
Due to Other University Departments	330,120
Deferred Revenue	2,996,650
Long-Term Liabilities - Current Portion:	
Capital Improvement Debt Payable	2,985,000
Compensated Absences Payable	30,921
Total Current Liabilities	6,794,434
Noncurrent Liabilities:	
Capital Improvement Debt Payable	69,099,747
Compensated Absences Payable	410,811
Total Noncurrent Liabilities	69,510,558
TOTAL LIABILITIES	76,304,992
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	(674,810)
Restricted for Expendable:	
Debt Service	2,180
Capital Projects	3,373,899
Unrestricted	5,124,446
TOTAL NET ASSETS	7,825,715
TOTAL LIABILITIES AND NET ASSETS	$ 84,130,707

The accompanying notes to financial statements are an integral part of this statement.

UNIVERSITY OF CENTRAL FLORIDA
CONSOLIDATED HOUSING FACILITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2011

REVENUES	
Operating Revenues:	
Housing Room Rentals and Other Revenue	$ 23,236,985
Other Operating Revenue	298,776
Total Operating Revenues	23,535,761
EXPENSES	
Operating Expenses:	
Compensation and Employee Benefits	6,329,921
Services and Supplies	3,312,258
Utilities and Communications	2,204,681
Scholarships and Fellowships	59,970
Depreciation	3,660,553
Total Operating Expenses	15,567,383
Operating Income	7,968,378
NONOPERATING REVENUES (EXPENSES)	
Investment Income, Net	523,834
Other Nonoperating Revenues	174,910
Loss on Disposal of Capital Assets	(35,264)
Interest on Capital Asset-Related Debt	(3,727,757)
Other Nonoperating Expenses	(1,006,234)
Net Nonoperating Revenues (Expenses)	(4,070,511)
Income Before Other Revenues, Expenses, Gains, or Losses	3,897,867
Transfers to University Departments	(1,206,709)
Increase in Net Assets	2,691,158
Net Assets, Beginning of Year	5,134,557
Net Assets, End of Year	$ 7,825,715

The accompanying notes to financial statements are an integral part of this statement.

UNIVERSITY OF CENTRAL FLORIDA
CONSOLIDATED HOUSING FACILITY
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Housing Room Rentals and Other Revenue	$ 23,256,670
Other Operating Revenue	298,776
Payments to Employees	(6,605,335)
Payments to Suppliers for Goods and Services	(5,551,305)
Payments to Students for Scholarships and Fellowships	(59,971)
Net Cash Provided by Operating Activities	11,338,835
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Subsidies and Transfers	(1,807,656)
Other Receipts	174,910
Other Expenses	(1,006,233)
Net Cash Used by Noncapital Financing Activities	(2,638,979)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Subsidies and Transfers	(1,708,663)
Purchase or Construction of Capital Assets	(760,281)
Principal Paid on Capital Debt	(2,860,000)
Interest Paid on Capital Debt	(3,652,820)
Net Cash Used by Capital and Related Financing Activities	(8,981,764)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments, Net	(178,249)
Investment Income	208,032
Net Cash Provided by Investing Activities	29,783
Net Decrease in Cash and Cash Equivalents	(252,125)
Cash and Cash Equivalents, Beginning of Year	2,751,177
Cash and Cash Equivalents, End of Year	$ 2,499,052
RECONCILIATION OF OPERATING INCOME	
TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 7,968,378
Adjustments to Reconcile Operating Income	
to Net Cash Provided by Operating Activities:	
Depreciation Expense	3,660,553
Change in Assets and Liabilities:	
Receivables, Net	(40,081)
Accounts Payable	(34,367)
Salaries And Wages Payable	(230,426)
Compensated Absences Payable	(44,988)
Deferred Revenue	59,766
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 11,338,835
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES	
Unrealized gains on investments are recognized as income on the statement of revenues, expenses, and changes in net assets, but are not considered a source of cash for the statement of cash flows.	$ 300,031

The accompanying notes to financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The financial statements of the Housing Facility are an integral part of the financial statements of the University of Central Florida (University). The University is a separate public instrumentality that is part of the state university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members.

Basis of Presentation. The Housing Facility's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provide the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The Housing Facility has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity wide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Assets
  - Statement of Revenues, Expenses, and Changes in Net Assets
  - Statement of Cash Flows
  - Notes to Financial Statements

Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically it relates to the timing of the measurements made, regardless of the measurement focus applied. The Housing Facility's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

The Housing Facility's principal operating activities consist of student housing and room rentals. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets and depreciation on capital assets. Nonoperating revenues include investment income (net of unrealized gains or losses on investments). Interest on capital asset-related debt is a nonoperating expense.

The statement of net assets is presented in a classified format to distinguish between current and non-current assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the Housing Facility's policy to apply the restricted resources to such programs first, before using the unrestricted resources.

The statement of revenues, expenses, and changes in net assets is presented by major sources.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows for Proprietary and Nonexpendable Trust Funds, and Governmental Entities That Use Proprietary Fund Accounting.*

Cash and Cash Equivalents. Amounts reported as cash and cash equivalents consist of cash on hand, cash in demand accounts, money market funds, and investments with original maturities of three months or less. Except as noted below, the Housing Facility's cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The Housing Facility holds $1,491,859 in money market funds and short-term investments which are not held in a qualified public depository institution. The money market funds and investments are permissible under the current investment policy and are not subject to the qualified public depository requirement. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

Capital Assets. The Housing Facility's capital assets consist of construction in progress, buildings, and furniture and equipment. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of state surplus property. Additions, improvements and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Housing Facility has a capitalization threshold of $1,000 for tangible personal property and $100,000 for new buildings and improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Furniture and Equipment – 5 to 10 years

Noncurrent Liabilities. Noncurrent liabilities include principal amounts of capital improvement debt payable, and compensated absences that are not scheduled to be paid within the next fiscal year. Capital improvement debt payable are reported net of unamortized premium or discount and deferred losses on refunding. The Housing Facility amortizes bond premiums and discounts over the life of the bonds using the straight-line method. Deferred losses on refundings are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method. Issuance costs paid from the debt proceeds are reported as deferred charges, and are amortized over the life of the bonds using the straight-line method.

2. INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration, and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University investment manual. Pursuant to Section 218.415(16), Florida Statutes, the Housing Facility is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management-type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The Housing Facility's investments at June 30, 2011, are reported at fair value, as follows:

Investment Type	Amount
External Investment Pools:	
State Treasury Special Purpose Investment Account	$ 4,028,652
Certificates of Deposit	27,920
United States Government and Federally Guaranteed Obligations	963,078
Federal Agency Obligations	369,970
Bonds and Notes	885,993
Stocks and Other Equity Securities	964,509
Mutual Funds - Equities	322,025
Total Housing Facility Investments	$ 7,562,147

External Investment Pools

State Treasury Special Purpose Investment Account. The Housing Facility reported investments at fair value totaling $4,028,652 at June 30, 2011, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The SPIA carried a credit rating of Af by Standard and Poor's and had an effective duration of 2.13 years at June 30, 2011. The Housing Facility relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

Other Investments

The Housing Facility invested in various debt and equity securities, money market funds, mutual funds, and certificates of deposit. The following risks apply to the Housing Facility's investments other than external investment pools:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), Florida Statutes, the Housing Facility's investments in securities must provide sufficient liquidity to pay obligations as they come due.

Investments of the Housing Facility in debt securities and their future maturities at June 30, 2011, are as follows:

Housing Facility Debt Investments Maturities

Investment Type	Fair Value	Investments Maturities (In Years) Less Than 1	1 - 5	More Than 5
United States Government and Federally Guaranteed Obligations	$ 963,078	$ 434,142	$ 460,664	$ 68,272
Federal Agency Obligations	369,970		65,617	304,353
Bonds and Notes	885,993	41,184	650,118	194,691
Total Housing Facility	$ 2,219,041	$ 475,326	$ 1,176,399	$ 567,316

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the United States government or obligations explicitly guaranteed by the United States government are not considered to have credit risk and do not require disclosure of credit quality. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The following schedule represents the ratings at June 30, 2011, of the Housing Facility's debt instruments using Standard & Poor's, a nationally recognized rating agency:

Housing Facility Debt Investments Quality Ratings

Investment Type	Fair Value	AAA	AA	A	Less Than A or Not Rated	
Federal Agency Obligations	$ 369,970	$ 362,325	$	$	$ 7,645	(1)
Bonds and Notes	885,993	522,658	84,021	232,394	46,920	(2)
Total Housing Facility	$ 1,255,963	$ 884,983	$ 84,021	$ 232,394	$ 54,565	

Notes: (1) These investments were not rated.
(2) Investments of $22,672 were not rated.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Housing Facility's investments in a single issuer. The University's investment policies require diversification sufficient to reduce the potential of a single security, single sector of securities, or single style of management having a disproportionate or significant impact on the portfolio. The University's policy states that not more than five percent of the investment portfolio's assets shall be invested in securities in any one issuing company, and no single corporate bond issuer shall exceed five percent of the portfolio. Guidelines for individual sectors of the portfolio further indicate percentage limitations.

3. RECEIVABLES

Accounts Receivable. Accounts receivable primarily represent amounts due for student housing rental fees and interest accrued on investments.

Allowance for Uncollectible Receivables. Allowances for uncollectible accounts are reported based upon management's best estimate as of fiscal year-end considering type, age, collection history, and other factors considered appropriate. Accounts receivable are reported net of allowances of $36,540 at June 30, 2011.

4. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2011, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Construction in Progress	$	$ 374,380	$	$ 374,380
Total Nondepreciable Capital Assets	$	$ 374,380	$	$ 374,380
Depreciable Capital Assets:				
Buildings	$ 105,860,746	$ 189,922	$	$ 106,050,668
Furniture and Equipment	1,831,199	195,978	209,701	1,817,476
Total Depreciable Capital Assets	107,691,945	385,900	209,701	107,868,144
Less, Accumulated Depreciation:				
Buildings	32,920,824	3,426,548		36,347,372
Furniture and Equipment	1,292,814	234,005	174,437	1,352,382
Total Accumulated Depreciation	34,213,638	3,660,553	174,437	37,699,754
Total Depreciable Capital Assets, Net	$ 73,478,307	$ (3,274,653)	$ 35,264	$ 70,168,390

5. LONG-TERM LIABILITIES

Long-term liabilities for the Housing Facility at June 30, 2011 include capital improvement debt payable, and compensated absences payable.

Long-term liabilities activity for the fiscal year ended June 30, 2011, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$ 74,869,811	$	$ 2,785,064	$ 72,084,747	$2,985,000
Compensated Absences Payable	486,720	25,516	70,504	441,732	30,921
Total Long-Term Liabilities	$ 75,356,531	$ 25,516	$ 2,855,568	$ 72,526,479	$3,015,921

Capital Improvement Debt Payable. Capital improvement debt was issued to construct housing facilities. Outstanding debt, which includes both term and serial bonds, are secured by a pledge of housing rental revenues. The State Board of Education and the State Board of Administration administer the principal and interest payments, investment of sinking fund resources, and compliance with reserve requirements.

The Housing Facility had the following capital improvement debt payable outstanding at June 30, 2011:

Capital Improvement Debt Type and Series	Amount of Original Issue	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Auxiliary Revenue Bonds:				
1992- Housing	$ 19,080,000	$ 413,572	6.0	2013
2000- Housing	31,695,000	26,370,690	4.875-5.25	2031
2002- Housing	14,055,000	9,606,227	3.5-4.5	2021
2007A- Housing	38,780,000	35,694,258	4.0-5.5	2030
Total	$ 103,610,000	$ 72,084,747		

Note: (1) Includes unamortized bond discounts and premiums and deferred losses on refunding issues.

The Housing Facility has pledged a portion of future housing rental revenues based on credit hours to repay $72,084,747 in capital improvement revenue bonds issued by the Florida Board of Governors on behalf of the Housing Facility. Proceeds from the bonds provided financing to construct student housing facilities. Total principal and interest remaining on the debt is $109,267,863 and principal and interest paid for the current year totaled $6,505,436. During the 2010-11 fiscal year, operating revenues generated from housing rental revenues totaled $23,535,761.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2011, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2012	$ 2,985,000	$ 3,516,604	$ 6,501,604
2013	3,125,000	3,379,725	6,504,725
2014	3,255,000	3,240,021	6,495,021
2015	3,405,000	3,093,719	6,498,719
2016	3,560,000	2,943,197	6,503,197
2017-2021	20,485,000	11,995,287	32,480,287
2022-2026	19,075,000	7,007,497	26,082,497
2027-2031	17,230,000	1,971,813	19,201,813
Subtotal	73,120,000	37,147,863	110,267,863
Less: Net Bond Discounts, Premiums, and Losses on Bond Refundings	1,035,253		1,035,253
Total	$ 72,084,747	$ 37,147,863	$ 109,232,610

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors' Regulations, University Regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The Housing Facility reports a liability for the accrued leave; however, current revenues fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the Housing Facility expects the liability to be funded primarily from future revenues, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future revenues. At June 30, 2011, the estimated liability for compensated absences, which includes the Housing Facility's share of the Florida Retirement System and FICA contributions, totaled $441,732. The current portion of the compensated absences liability is the amount expected to be paid in the coming fiscal year, and is based on actual payouts over the last three years calculated as a percentage of those years' total compensated absences liability.

6. RETIREMENT PROGRAMS

Florida Retirement System. Essentially all regular employees of the Housing Facility are eligible to enroll as members of the State administered Florida Retirement System (FRS). Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the Public Employee Optional Retirement Program (PEORP).

Employees in the Plan vest at six years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability and death benefits and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The State of Florida establishes contribution rates for participating employers. Contribution rates during the 2010-11 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	10.77
Florida Retirement System, Senior Management Service	0.00	14.57
Florida Retirement System, Special Risk	0.00	23.25
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plan	0.00	12.25
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon retirement class or plan in which reemployed.

The Housing Facility's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls. The Housing Facility's contributions for the fiscal years ended June 30, 2009, June 30, 2010, and June 30, 2011 totaled $235,974, $243,790, and $247,654, respectively, which were equal to the required contributions for each fiscal year.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the PEORP in lieu of the FRS defined-benefit plan. Employees already participating in the State University

System Optional Retirement Program or the DROP are not eligible to participate in this program. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Special Risk Class, etc.). Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Employees in PEORP vest at one year of service. There were 17 Housing Facility participants during the 2010-11 fiscal year. Required contributions made to the PEORP totaled $56,304.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report which is available from the Florida Department of Financial Services. An annual report on the FRS which includes its financial statements, required supplementary information, actuarial report and other relevant information is available from the Florida Department of Management Services, Division of Retirement.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible Housing Facility staff. The Program is designed to aid state universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for six or more years.

The Program is a defined-contribution plan which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program rather than the FRS and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employer contributes on behalf of the participant 10.43 percent of the participant's salary less a small amount used to cover administrative costs. The remaining contribution is invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement. The participant may contribute by payroll deduction, an amount not to exceed the percentage contributed by the Housing Facility to the participant's annuity account.

There were 19 Housing Facility participants during the 2010-11 fiscal year. Required employer contributions made to the Program totaled $81,676 and employee contributions totaled $2,851.

7. RISK MANAGEMENT PROGRAMS

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, automobile liability, Federal Civil Rights, and employment discrimination liability. For property losses during the 2010-11 fiscal year, the State retained the first $2 million of losses for each occurrence with an annual aggregate retention of $40 million for named wind and flood losses and no annual aggregate retention for all other named perils. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $61 million for named wind and flood perils. For perils other than named wind and flood, losses in excess of $2 million per occurrence were commercially insured up to $200 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automobile liability, Federal Civil Rights, and employment discrimination liability coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to $100,000 per person, and $200,000 per occurrence as set by Section 768.28, Florida Statutes. These limits will be increased to $200,000 per person and $300,000 per occurrence for losses occurring after October 1, 2011. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past three fiscal years.

Pursuant to Section 110.123, Florida Statutes, Housing Facility employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

8. LITIGATION

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's legal counsel and management, should not materially affect the Housing Facility's financial position.

9. FUNCTIONAL DISTRIBUTION OF OPERATING EXPENSES

The functional classification of an operating expense is assigned to a department based on the nature of the activity which represents the material portion of the activity attributable to the department. The primary mission of the Housing Facility departments consists of providing housing room rentals to students. All operating expenses are reported under the auxiliary operations, scholarships and fellowships, and depreciation classifications. The operating expenses on the statement of revenues, expenses, and changes in net assets are presented in the natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Auxiliary Enterprises	$ 11,846,860
Scholarships and Fellowships	59,970
Depreciation	3,660,553
Total Operating Expenses	$ 15,567,383

APPENDIX K

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Board of Governors of the State of Florida (the "Board"), the University of Central Florida (the "University") and the Division of Bond Finance of the State Board of Administration of Florida (the "Division") in connection with the issuance of $_________ State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series 2012A (the "Bonds"). This Disclosure Agreement is being executed and delivered pursuant to the sections addressing continuing disclosure in Article V of the resolutions adopted by the Governor and Cabinet, as the Governing Board of the Division, on January 18, 2012, providing for the issuance of the Bonds (collectively the "Authorizing Resolution"). The Board, the University, and the Division covenant and agree as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Board, the University and the Division for the benefit of the Registered Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"). It shall inure solely to the benefit of the Board, the University, the Division, the Registered Owners, the Beneficial Owners and the Participating Underwriters.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Authorizing Resolution and the Original Resolution adopted by the Governing Board of the Division on July 21, 1992, as amended on May 29, 1996, November 26, 2002, September 19, 2007, and January 18, 2012 (collectively, the "Resolution") which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. CONTINUING DISCLOSURE. (A) Information To Be Provided. The Board and the University assume all responsibilities for any continuing disclosure as described below. In order to comply with the Rule, the Board and the University hereby agree to provide or cause to be provided the information set forth below, or such other information as may be required, from time to time, under the Rule.

(1) Financial Information and Operating Data. For fiscal years ending on June 30, 2011 and thereafter, annual financial information and operating data shall be provided within nine months after the end of the University's fiscal year. Such information shall include:

(a) Housing System Rental Rates;
(b) Housing System Collection Rates;
(c) Housing System Occupancy Statistics;
(d) Comparison of Budget to Actual for Fiscal Year;
(e) Historical Summary of Operations (Unaudited);
(f) Historical Summary of Balance Sheet Data (Unaudited);
(g) Schedule of Historical Pledged Revenues and Debt Service Coverage;
(h) Investment of funds;
(i) Housing System financial statements (Unaudited);
(j) University financial statements; and
(k) Litigation.

(2) Audited Financial Statements. If not submitted as part of the annual financial information, a copy of the University's audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten business days after the occurrence of the event:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt-service reserves reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(g) modifications to rights of security holders, if material;
(h) bond calls, if material, and tender offers;
(i) defeasances;
(j) release, substitution or sale of property securing repayment of the securities, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the obligated person;
(m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(4) Failure to Provide Annual Financial Information; Remedies.

(a) Notice of the failure of the Board or the University to provide the information required by paragraphs (A) (1) or (A)(2) of this Section will be provided in a timely manner.

(b) The Board and the University acknowledge that their undertaking pursuant to the Rule set forth in this Section is for the benefit of the Beneficial Owners and Registered Owners of the Bonds and shall be enforceable only by such Beneficial Owners and Registered Owners; provided that the right to enforce the provisions of such undertaking shall be conditioned upon the same enforcement restrictions as are applicable to the information undertakings in the Resolution and shall be limited to a right to obtain specific enforcement of the Board's and the University's obligations hereunder.

(B) Method of Providing Information.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the Municipal Securities Rulemaking Board (hereafter "MSRB") using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in paragraph 3(A)(3) and notices described in paragraph 3(A)(4) shall also be transmitted to the MSRB using EMMA or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Board's and the University's obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until the Board and the University shall otherwise no longer remain obligated on the Bonds.

(E) This Disclosure Agreement may be amended or modified so long as:

(1) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;

(2) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted;

(3) this Disclosure Agreement, as amended, would have complied with the requirements of Rule 15c2-12 of the SEC at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(4) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the issuer or obligated person (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Board or the University chooses to include additional information not specifically required by this Disclosure Agreement, neither the Board nor the University shall have any obligation to update such information or include it in any such future submission.

Dated this ___ day of _________, 2012.

FLORIDA BOARD OF GOVERNORS

By____
Chair

DIVISION OF BOND FINANCE

By____
Assistant Secretary

UNIVERSITY OF CENTRAL FLORIDA

By___________________________________
President

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[FORM OF BOND COUNSEL OPINION]

[TO BE DATED DATE OF DELIVERY]

Board of Governors
Tallahassee, Florida

Division of Bond Finance of the
State Board of Administration of Florida
Tallahassee, Florida

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of Governors, (the "Board"), the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance"), the State Board of Administration of the State of Florida, applicable provisions of the Constitution and laws of the State of Florida, and other proofs submitted to us relative to the issuance and sale of:

$____________
STATE OF FLORIDA
BOARD OF GOVERNORS
UNIVERSITY OF CENTRAL FLORIDA
DORMITORY REVENUE BONDS, SERIES 2012A
Dated ________________
(the "Bonds")

The Bonds are being issued by the Division of Bond Finance in the name of and on behalf of the Board for the purpose of financing the construction of three residential halls, a fraternity or sorority house and administrative center, and capital improvements to existing facilities on the main campus of the University of Central Florida and refunding all or a portion of the outstanding State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000 (the "Refunded Bonds"), providing for capitalized interest and paying certain costs associated with the issuance of the Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Sections 215.57-215.83, Florida Statutes, Section 1010.62, Florida Statutes and other applicable provisions of law. The principal of, premium, if any, and interest on the Bonds will be secured by and payable solely from a pledge of the Pledged Revenues (as defined in the hereinafter defined Resolution) on a parity with the portion of the State of Florida, Board of Regents, University of Central Florida Housing Revenue Bonds, Series 2000 outstanding following issuance of the Bonds and the outstanding State of Florida, Board of Regents, University of Central Florida Apartments Facility Revenue Bonds, Series 1992; the State of Florida, Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002; and the State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2007A, which together with the Bonds, will be outstanding in the aggregate principal amount of $_________ subsequent to issuance of the Bonds, and any Additional Parity Bonds hereafter issued (as defined in the hereinafter defined Resolution).

The Bonds do not constitute a general obligation of the State of Florida or any political subdivision thereof within the meaning of any constitutional, statutory or other limitation of indebtedness and the owners thereof shall never have the right to compel the exercise of any ad valorem taxing power or taxation in any form for the payment of the principal of or interest on the Bonds.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. That such proceedings and proofs show lawful authority for issuance and sale of the Bonds pursuant to the Constitution and statutes of the State of Florida and pursuant to resolutions authorizing the issuance and sale of the Bonds duly adopted by the Governing Board of the Division of Bond Finance on July 21, 1992, as amended and supplemented on May 29, 1996, November 26, 2002, September 19, 2007 and January 18, 2012 (collectively, the "Resolution"), and a resolution of the Board adopted March 24, 2011.

2. The Bonds (i) have been duly authorized, executed and delivered by the Division of Bond Finance and the Board and (ii) are valid and binding special obligations of the Board enforceable in accordance with their terms, payable solely from the sources provided therefor in the Resolution.

3. The Bonds and the income thereon are not subject to any State tax except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

4. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Bonds to be included in federal gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such non-compliance occurs or is ascertained. The Division of Bond Finance and the Board have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Subject to compliance by the Division of Bond Finance and the Board with the aforementioned covenants, (a) interest on the Bonds is excluded from gross income for purposes of federal income taxation, and (b) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. We express no opinion regarding other federal tax consequences caused by the ownership of or the receipt of interest on or the disposition of the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not independently verified the accuracy or truthfulness thereof and the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

Our opinions expressed herein are predicated upon present law, facts and circumstances as of the date of issuance and delivery of the Bonds, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after such date.

As Bond Counsel, we have not been engaged nor have we, in such capacity, undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds and we express no opinion herein relating thereto.

Very truly yours,

BRYANT MILLER OLIVE P.A.

APPENDIX M

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM OR REGISTERED BONDS

The Depository Trust Company and Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DIVISION BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the 2012A Bonds. The 2012A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2012A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

Purchases of the 2012A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2012A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2012A Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2012A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2012A Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all 2012A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2012A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the 2012A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2012A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2012A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2012A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2012A Bond documents. For example, Beneficial Owners of 2012A Bonds may wish to ascertain that the nominee holding the 2012A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the 2012A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2012A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Division as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2012A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the 2012A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Bond Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, (nor its nominee), the Bond Registrar/Paying Agent, the Division, or the Board of Governors (the "Board"), subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar/Paying Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services with respect to the 2012A Bonds at any time by giving reasonable notice to the Division or Bond Registrar/Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Division may decide to discontinue use of the system of book-entry transfers for the 2012A Bonds through DTC (or a successor securities depository). Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the 2012A Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the 2012A Bonds.

For every transfer and exchange of beneficial interests in the 2012A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

So long as Cede & Co., as nominee of DTC, is the registered owner of the 2012A Bonds, references herein to the Registered Owners or Holders of the 2012A Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the 2012A Bonds unless the context requires otherwise.

The Division, the Board and the Bond Registrar/Paying Agent will not have any responsibility or obligation with respect to:

(i) the accuracy of the records of DTC, its nominee or any DTC Participant or any successor securities depository, participants thereof or nominee thereof with respect to any beneficial ownership interest in the 2012A Bonds;

(ii) the delivery to any DTC Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any notice with respect to any 2012A Bond, including, without limitation, any notice of redemption;

(iii) the payment to any DTC Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any amount with respect to the principal of, premium, if any, or interest on the 2012A Bonds, or the purchase price of, any 2012A Bond;

(iv) any consent given by DTC or any successor securities depository as registered owner; or

(v) the selection by DTC or any DTC Participant or by any successor depository or its participants of the beneficial ownership interests in the 2012A Bonds for partial redemption.

So long as the 2012A Bonds are held in book-entry only form, the Division, the Board and the Bond Registrar/Paying Agent may treat DTC and any successor Securities Depository as, and deem DTC and any successor Securities Depository to be, the absolute owner of the 2012A Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of, premium, if any, and interest on the 2012A Bonds;

(ii) giving notices of redemption and other matters with respect to the 2012A Bonds;

(iii) registering transfers with respect to the 2012A Bonds; and

(iv) the selection of the beneficial ownership interests in the 2012A Bonds for partial redemption.

Payment, Registration, Transfer and Exchange

The following provisions shall only be applicable if the book-entry-only system of registration is discontinued; for provisions which are applicable while the book-entry only system of registration is in effect, see "Book-Entry Only System" above.

The Division, the Board and the Bond Registrar/Paying Agent may treat the Registered Owner of any 2012A Bond as the absolute owner for all purposes, whether or not such 2012A Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the 2012A Bonds will be payable upon presentation and surrender of the 2012A Bonds when due at the corporate trust office of U.S. Bank Trust National Association, New York, New York, as Bond Registrar/Paying Agent.

Each 2012A Bond will be transferable or exchangeable only upon the registration books by the Registered Owner or an attorney duly authorized in writing, upon surrender of such 2012A Bond to the Bond Registrar/Paying Agent together with a written instrument of transfer (if so required) satisfactory in form to the Division of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or a duly authorized attorney. Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any 2012A Bond, duly endorsed for transfer or accompanied by an assignment in accordance with the Resolution, the Bond Registrar/Paying Agent will deliver in the name of the transferee(s) a fully registered 2012A Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

Neither the Division nor the Bond Registrar/Paying Agent may charge the Registered Owner or transferee for any expenses incurred in making any exchange or transfer of the 2012A Bonds. However, the Division and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses must be paid before any such new 2012A Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any 2012A Bonds on the Record Date.

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