State of Florida
Division of Bond Finance

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Copies of the printed Official Statement may be obtained from:

Florida Division of Bond Finance
1801 Hermitage Boulevard
Suite 200
Tallahassee, Florida 32308

E-Mail: bond@sbafla.com
Phone: (850) 488-4782
Fax: (850) 413-1315

Refunding Issue - Book-Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2018A 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.

$23,255,000
STATE OF FLORIDA
Board of Governors
University of Central Florida
Dormitory Revenue Refunding Bonds, Series 2018A

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

Bond Ratings	Aa3 Moody's Investors Service A+ Standard & Poor's Rating Services A+ Fitch Ratings
Tax Status	In the opinion of Bond Counsel, assuming compliance by the Board of Governors with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the 2018A Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2018A Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. The 2018A 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 owners of the 2018A Bonds.
Redemption	The 2018A Bonds are not subject to redemption prior to maturity.
Security	The 2018A 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 2018A Bonds are not secured by the full faith and credit of the State of Florida.**
Lien Priority	The lien of the 2018A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds, including the 2018A Bonds, which will remain outstanding subsequent to the refunding to be accomplished with the proceeds of the 2018A Bonds is $84,610,000.
Additional Parity Bonds	Additional Parity Bonds payable on a parity with the 2018A 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 2018A BONDS - Additional Parity Bonds" herein for more complete information.
Purpose	The proceeds of the 2018A Bonds will be used to refund a portion of the Outstanding State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002, and Outstanding State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2007A, and to pay costs of issuance.
Interest Payment Dates	April 1 and October 1, commencing October 1, 2018.
Record Dates	March 15 and September 15.
Form/Denomination	The 2018A 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 2018A Bonds will not receive physical delivery of the 2018A Bonds. See "DESCRIPTION OF THE 2018A BONDS."
Closing/Settlement	It is anticipated that the 2018A Bonds will be available for delivery through the facilities of DTC in New York, New York on March 15, 2018.
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 2018A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

February 14, 2018

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount	Interest Rate	Price or Yield*
341576CE4	October 1, 2019	$2,855,000	4.00%	1.54%
341576CF1	October 1, 2020	2,985,000	5.00	1.72
341576CG9	October 1, 2021	1,895,000	5.00	1.93
341576CH7	October 1, 2022	1,995,000	5.00	2.06
341576CJ3	October 1, 2023	2,095,000	5.00	2.25
341576CK0	October 1, 2024	2,200,000	5.00	2.35
341576CL8	October 1, 2025	2,310,000	5.00	2.47
341576CM6	October 1, 2026	2,435,000	5.00	2.64
341576CN4	October 1, 2027	1,420,000	5.00	2.73
341576CP9	October 1, 2028	1,495,000	5.00	2.79
341576CQ7	October 1, 2029	1,570,000	5.00	2.90

* Price and yield information provided by the underwriters.

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 2018A 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

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VICE CHAIR
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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
$23,255,000
STATE OF FLORIDA
Board of Governors
University of Central Florida Dormitory Revenue Refunding Bonds
Series 2018A

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 $23,255,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2018A, dated the date of delivery (the “2018A Bonds”), by the Division of Bond Finance of the State Board of Administration of Florida (the “Division of Bond Finance”).

The proceeds of the 2018A Bonds, together with other legally available moneys, will be used to refund a portion of the Outstanding State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002, and Outstanding State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2007A (collectively, the “Refunded Bonds”), and to pay costs of issuance. The refunding is being effectuated to achieve debt service savings. See “THE REFUNDING PROGRAM” herein for more detailed information.

The 2018A 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 2018A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds, including the 2018A Bonds, which will remain outstanding subsequent to the refunding to be accomplished with the proceeds of the 2018A Bonds is $84,610,000. **The 2018A 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 2018A 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 2018A 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

AUTHORITY FOR THE ISSUANCE OF THE 2018A BONDS

General Legal Authority

The 2018A 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**
Ned C. Lautenbach, Chair	January 6, 2020
Sydney Kitson, Vice Chair	January 6, 2024
Tim Cerio	January 6, 2024
Patricia Frost	January 6, 2024
H. Wayne Huizenga, Jr.	January 6, 2020
Darlene L. Jordan	January 6, 2024
Alan M. Levine	January 6, 2024
Wendy S. Link	January 6, 2020
Edward A. Morton	January 6, 2020
Jay S. Patel	January 6, 2019
Norman D. Tripp	January 6, 2020
Fernando J. Valverde	January 6, 2019
Zachariah P. Zachariah	January 6, 2019

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

Pam Stewart **-** Commissioner of Education
Gary S.Tyson **-** Chair, Advisory Council of Faculty Senates
Kishane Patel **-** Chairman, Florida Student Association

*There is currently one vacancy on the Board.

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 2018A Bonds.

By a resolution adopted on June 14, 2017 (the "Ninth Supplemental Resolution"), which supplements 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"), September 19, 2007 (the "Sixth Supplemental Resolution"), and January 18, 2012 (the "Eighth Supplemental Resolution"), the Governing Board of the Division of Bond Finance authorized the issuance of the 2018A Bonds. The Original Resolution, the First Supplemental Resolution, the Third Supplemental Resolution, the Sixth Supplemental Resolution, the Eighth Supplemental Resolution and the Ninth Supplemental Resolution are reproduced as Appendices B, C, D, E, F and G, to this Official Statement.

The Board of Administration approved the fiscal sufficiency of the 2018A Bonds, as required by the State Bond Act, on June 14, 2017.

DESCRIPTION OF THE 2018A BONDS

The 2018A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2018A Bonds are payable from the Pledged Revenues as described herein. The 2018A 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, 2018, until maturity or redemption.

The 2018A Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2018A 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 2018A Bonds. Individual purchases of the 2018A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2018A Bonds or any certificate representing their beneficial ownership interest in the 2018A 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 2018A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

The 2018A Bonds are not subject to redemption prior to maturity.

THE REFUNDING PROGRAM

Proceeds of the 2018A Bonds, together with other legally available moneys, will be used to refund the Outstanding State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002, maturing in the years 2019 and 2020, in the outstanding principal amount of $2,435,000 (the "Refunded 2002 Bonds"), and the Outstanding State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2007A, maturing in the years 2019 through 2029, inclusive, in the outstanding principal amount of $23,630,000 (the "Refunded 2007A Bonds") (the Refunded 2002 Bonds and the Refunded 2007A Bonds are collectively referred to as the "Refunded Bonds"). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2018A Bonds, the Division of Bond Finance will cause to be deposited a portion of the proceeds of the 2018A Bonds, along with other legally available moneys, in an irrevocable escrow account (the "Escrow Deposit Trust Fund"), under an agreement (the "Escrow Deposit Agreement") entered into between the Division of Bond Finance and the Board of Administration (the "Escrow Agent"). The Escrow Agent will hold those moneys uninvested. The escrow will be funded in an amount which will be sufficient to meet the redemption requirements of the Refunded Bonds.

The Refunded Bonds will be called for redemption on March 19, 2018, by separate redemption notice, at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date and a redemption premium of 1% of the Refunded 2007A Bonds. No funds held in escrow will be available to pay debt service on the 2018A Bonds.

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Sources and Uses of Funds

Sources of Funds:	
Par Amount of 2018A Bonds	$23,255,000
Original Issue Premium	3,179,007
Available Sinking Fund Moneys	667,467
Total Sources	$27,101,474
Uses of Funds:	
Deposit to Escrow Deposit Trust Fund	$26,924,269
Cost of Issuance	103,730
Underwriter's Discount	73,475
Total Uses	$27,101,474

Note: Totals may not add due to rounding.

SECURITY FOR THE 2018A BONDS

Pledge of Housing System Revenues

The 2018A 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 $84,610,000 in principal amount of Bonds, including the 2018A Bonds, will be Outstanding subsequent to the issuance and the refunding to be accomplished with the proceeds of the 2018A Bonds. As used herein, the term "Bonds" includes the Outstanding Bonds, the 2018A 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 2018A 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 2018A 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 2018A Bonds. The issuance of the 2018A 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 2018A Bonds.**

Reserve Account

There will not be a Debt Service Reserve subaccount funded for the Series 2018A 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, the Reserve Account is funded by reserve account surety bonds issued by Ambac Assurance Corporation ("Ambac") in the amount of $1,992,250, which will terminate on October 1, 2029, and Financial Guaranty Insurance Company ("FGIC") in the amount of $2,122,127, which will terminate on October 1, 2030. Such subaccount may also serve as the subaccount for future Additional Parity Bonds.

The Reserve Requirement for the 2018A Bonds has been determined to be zero. No deposit will be made to a subaccount in the Reserve Account from the proceeds of the 2018A Bonds.

See "MISCELLANEOUS - Bond Ratings" below for a discussion of potential and actual rating agency actions with respect to various insurance companies, including 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 amounts required 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 2018A 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 66,000 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 189 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 10% of the students enrolled at the University can be accommodated in on-campus housing facilities, with an additional 303 students living in fraternity and sorority-owned housing. The University owns 19* residence halls, 27 apartment buildings, and four Greek houses with a total of 6,454* bed spaces for students on the University's main campus. Additionally, accommodations are provided for 154 student staff members.

Staffing

The Department currently employs approximately 450 full-time and part-time staff members, including 64 managed by UCF Facilities Operations for custodial and maintenance services. 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 4,616. The University's first housing project (the "Apollo Community") was opened in the fall of 1968. The Apollo Community has a total capacity of 427 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 439 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 701 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.

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* Includes the four residence facilities with a total capacity of 1,952 student beds and accommodations for 40 student staff members at the Towers at Golden Knight Plaza which are not part of the Housing System.

In 1999, a project consisting of three four-story residence halls (Sumter, Flagler and Citrus) was opened with a capacity of 583 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.

The Academic Village (Nike and Hercules Communities), which was completed in 2002, has a total capacity of 1,634 students and consists of six residence halls (double occupancy suite-style rooms) and eight apartment buildings (single occupancy rooms with shared kitchen and baths). The Academic Village is adjacent to the recreational fields and the 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.

In 2013, Greek Buildings 416 and 417 opened and were leased to fraternity/sorority groups. Each house has a capacity of 40 student beds for a total of 80 student beds. Residents live in two bedroom double occupancy suites with one bathroom. The houses are two stories tall with the common areas on the first floor and residents living on the second floor.

In 2013, an expansion of the Academic Villages (Neptune Community) opened, with a capacity of 668 student beds. They are suite design with four private beds sharing two bathrooms. There are a total of three buildings with classroom space, multipurpose/activity rooms, convenience store, laundry rooms, and office space for support staff.

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 Capacity**[1]
Volusia Hall	1968	24,456	108
Lake Hall	1968	24,456	108
Osceola Hall	1968	24,456	103
Polk Hall	1968	24,456	108
Brevard Hall	1980	27,926	121
Orange Hall	1980	37,241	156
Seminole Hall	1980	37,241	162
Lake Claire Courtyard Apts. (15 units)	1994	219,780	701
Sumter Hall	1999	59,200	233
Flagler Hall	1999	59,200	234
Citrus Hall	1999	37,100	116
Academic Village (Nike)	2001	239,006	819
Academic Village (Hercules)	2002	239,006	815
Greek Building 409	2009	11,942	39
Greek Building 411	2009	10,647	45
Greek Building 416	2013	13,625	40
Greek Building 417	2013	13,625	40
Academic Village (Neptune)	2013	208,826	668
Totals		**1,312,189**	**4,616**

[1] Does not include professional staff member accommodations or model rooms.

Capital Improvement Plan

The process for developing capital improvement plans for the UCF Housing system starts with an on-going awareness of the demand for housing with the department staff. When the department staff recognizes the demand for on-campus housing exists beyond the university's capacity, that demand is discussed with the president and 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 of the campus.

Currently, approximately 70% of first year students live on campus. To meet the 2015 Master Plan goal of providing housing for 80% of the first year students and 50% of the retained second year class, approximately 1,038 beds are needed. Potential building sites include a parcel in the Academic Village and a student housing site at the northwest corner of the main campus. At this time, however, the university has not developed plans to build additional residence halls to meet the 2015 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 $1,670,000 per year will be spent on facility maintenance. These projects will be funded through the Housing System maintenance account.

For Fiscal Years 2016 and 2017, in addition to the regularly scheduled maintenance projects, the Department has spent $7.5 million on renovations that include roofs, door and lock replacements, carpeting, fire alarms, boilers, HVAC, flooring, and kitchen cabinets and counters. Additionally, the Department has spent $600,000 replacing furniture.

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, 2017, the balance of the R&R Account was $8,588,177. In recent years, the University has used annual operating revenues to fund additional improvements and repairs that would normally be funded from the R&R Account 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 State Risk Management Trust Fund as required by Chapter 284, Florida Statutes.

Housing Needs Assessment

The 2015-2025 Master Plan goal to house 80% of the first time in college class and 50% of the retained second year 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 the 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 (University-owned including the Towers, on campus Greek housing, and privately-owned Northview). In the fall of 2017, the bed deficit was approximately 1,038 beds.

The Department of Housing and Residence Life has worked to actively create reasonable expectations for students seeking university housing. First year students are told that there is very limited on campus housing for their second year. These students receive off campus living information during the second semester of their fall/spring housing agreement and are directly referred to affiliated housing.

The Department occupancy managers have the ability to set up parameters in the room sign up system which direct students to the types of accommodations that they are eligible for. In recent years, a first come/first serve room sign-up deadline or a cap has been set for the number of beds offered to second year/upper level students. In the fall of 2015, 2,600 spaces were offered to second year/upper level students up to the sign up deadline. In 2016 and 2017 when respective pre-set caps of 2,155 and 2,090 spaces were reached, the sign up process was turned off and students were directed to a standby list.

Students on the standby list are directed to affiliated housing and are periodically advised of their chances of being offered on campus housing. In 2015, because of the larger number of rooms held for upper level students, 486 late First Time In College (FTIC) applicants were referred the affiliated housing. In 2016 and 2017, more beds were held for FTICs until a later date. Thus, no FTICs had to be referred in either year. The number of students on the standby list for the Fall of 2017, 2016 and 2015 were 2,753, 1,600 and 1,621 respectively. The students on the standby list were from all class levels with FTICs being given priority for being offered on-campus housing.

As indicated, the Department of Housing and Residence Life cannot accommodate the housing needs of all students who attend the university. To assist students who are not offered on-campus housing, the university staffs and funds the Neighborhood Relations and Safety Education Office. This office helps students find off-campus housing. During the 2016 academic year, the Department maintained a website which was free for UCF students to search for off-campus accommodations and roommates. There were more than 85,778 visits to the site and 2,937 registered users. Additionally, many students visited the office to consult with the staff and receive printed materials.

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.

Fall Semester Occupancy Statistics

Academic Year	Main Campus FTEs [1]	Student Capacity [2]	Student Occupancy [3]	Occupancy as % of Capacity	Temporary Spaces [4]	Number of Applications Received over Capacity [5]	% of FTEs Residing On Campus
2012-13	27,412	3,771	3,772	100.0%	1	383	13.8%
2013-14 [6]	27,138	4,435	4,225	95.3%	N/A	0	15.6%
2014-15	27,205	4,439	4,417	99.5%	N/A	366	16.2%
2015-16	28,131	4,452	4,442	99.8%	N/A	517	15.8%
2016-17	37,953 [7]	4,452	4,431	99.5%	N/A	706	11.7%

[1] Represents the annual full-time enrollment figures for the main campus of the University of Central Florida.

[2] Represents the number of permanent on-campus student housing beds owned and operated by the Department of Housing that are available for use on the University's main campus. Does not include professional staff bed spaces, Greek beds, or model room beds.

[3] Occupancy for the fall semester is recorded on September 1st.

[4] Represents students who were placed in temporary triple rooms.

[5] Approximate number of fall applicants that were turned away due to lack of available beds.

[6] Although student occupancy increased, occupancy as a percent of capacity decreased due to the addition of 668 beds to the housing system.

[7] The increase from 2015-16 to 2016-17 is partly attributable to a change in the Florida State University System's calculation of full-time equivalency. For Academic Years before 2016-17, the Florida State University System reported FTEs under its own methodology where 15 undergraduate student credit hours or 12 graduate student credit hours were 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 were equivalent to one FTE. Annual full-time equivalency was 40 credit hours for undergraduate students and 32 credit hours for graduate students. Beginning in Academic Year 2016-17, annual full-time equivalency is 30 credit hours for undergraduate students and 24 credit hours for graduate students.

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 September. Spring and summer semester housing payments are due in full approximately in early January and late May 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 40% of rental revenue received comes from student financial aid. Additionally, approximately 7% 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
2012-13	99.9%
2013-14	99.9%
2014-15	99.9%
2015-16	99.9%
2016-17	99.8%

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. However, these projections are for illustration purposes only. Any future 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 2018A Bonds.

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

	Historical					Projected				
Description	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Double Occupancy										
Lake, Volusia, Osceola, Polk	$2,470	$2,470	$2,470	$2,470	$2,470	$2,470	$2,470	$2,470	$2,470	$2,470
Brevard, Orange, Seminole	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Citrus, Sumter, Flagler	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Nike/Hercules	2,835	2,835	2,835	2,835	2,835	2,835	2,835	2,835	2,835	2,835
Greek Housing	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Greek Housing (2013)	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Single Occupancy										
Lake, Volusia, Osceola, Polk	2,810	2,810	2,810	2,810	2,810	2,810	2,810	2,810	2,810	2,810
Lake Claire Apts.	3,045	3,045	3,045	3,045	3,045	3,045	3,045	3,045	3,045	3,045
Neptune	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Academic Village Apts. (4/2)	3,085	3,085	3,085	3,085	3,085	3,085	3,085	3,085	3,085	3,085
Academic Village Apts. (2/1)	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330

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 convocation center. The first phase opened in August 2006, with full opening occurring in Fall 2007. The apartment style beds at the Towers at 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 $9,169 per student.

The Towers at Knight Plaza are not part of the Housing System, and the revenues received from these facilities are not pledged to the Outstanding 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 Knight Plaza. The University has also covenanted that it will consider the occupancy of the Towers at 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 Knight Plaza and the facilities to be added to the Housing System.

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, maintenance, custodial, 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 $8,052. 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. The current average rental rate for an on-campus four bedroom apartment for an academic year (fall and spring) is $6,605 with no additional fees. A full summer term cost is $2,266.

Survey of Off-Campus Rental Rates

Facility	Capacity	Type	Monthly Cost	Annual Cost	Opening Occupancy
Knight's Circle*	2,532	4BD/4BA	$670.00	$8,040.00	100.0%
The Pointe at Central*	1,224	4BD/2BA	585.00	7,020.00	100.0
Plaza on University	1,300	4BD/4BA	734.00	8,808.00	100.0
The Retreat	894	4BD/4BA	765.00	9,180.00	100.0
University House	995	4BD/4BA	725.00	8,700.00	100.0
Lofts	730	4BD/4BA	685.00	8,220.00	100.0
The Verge	930	4BD/4BA	665.00	7,980.00	100.0
Northgate Lakes	710	4BD/4BA	685.00	8,220.00	100.0
Village at Science Drive	732	4BD/4BA	664.00	7,968.00	100.0
The Marquee	1,527	4BD/4BA	670.00	8,040.00	100.0
Mercury 3100	840	4BD/4BA	690.00	8,280.00	100.0
Boardwalk	480	4BD/4BA	599.00	7,188.00	100.0
The Quad	384	4BD/4BA	640.00	7,680.00	100.0
College Station	304	4BD/4BA	625.00	7,500.00	100.0
Riverwind	440	4BD/4BA	615.00	7,380.00	100.0
Orion on Orpington	624	4BD/4BA	633.00	7,596.00	100.0
Crossings Alafaya	896	4BR/3+1/2BA	590.00	7,080.00	100.0

* The University is affiliated with Knight's Circle and The Pointe at Central. See "Affiliated University Housing" herein for additional details.

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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. Rates are shown per apartment (not per bed), and utilities and furnishings are not included. 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	$1,114
Arden Villas	2 BR/2BA	1,326
Alafaya Woods	2BR/2BA	1,207
Alafaya Woods	3BR/3BA	1,551
Elmhurst Village	2BR/2BA	1,287
The Glen	1BR/1BA	1,022
Park 9	2BR/2BA	1,149
Polos East (Advenir)	2BR/1BR & 2BA	1,332
Tivoli Apartments	1/1, 2/2, & 3/3	1,635
Central Place	2BR/2BA	1,231
Retreat at Valencia	2BR/1BA & 2BA	1,073

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 3,756 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 3,756 beds in the Pointe at Central and Knight’s Circle, approximately 80% are occupied by University students. The remaining 20% 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, entered into a management and marketing agreement to manage a 600 bed, student housing facility located on Lockwood Boulevard across the street from the University’s main campus in Orlando. The facility opened in the fall of 2013. The facility was constructed on land owned by the UCF Foundation and ground leased to the owner. Under the terms of the management agreement, the University is responsible for the day to day operations of the facility and management of a residence life program at the facility. The University is paid a management fee in consideration for the services to be rendered as the manager.

The costs of operating and maintaining the facility are paid from revenues of the facility and are not the responsibility of the University. The University is not obligated to expend its own funds for expenses incurred as the manager under the management and 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 2013-14 through 2016-17 and the budget for Fiscal Year 2017-18. 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 the Four Fiscal Years Ended June 30, 2017 and Budget for Fiscal Year Ending June 30, 2018[1]
(Unaudited)
(In Thousands of Dollars)

	Fiscal Year 2013-14			Fiscal Year 2014-15			Fiscal Year 2015-16			Fiscal Year 2016-17			Fiscal Year 2017-18
	Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**
Operating Revenue													
Residential Units:													
Fall Semester	$12,311	$12,304	($7)	$12,441	$12,719	$278	$12,441	$12,862	$421	$12,441	$12,831	$390	$12,781
Spring Semester	12,311	12,331	20	12,441	12,651	210	12,441	12,570	129	12,441	12,732	291	12,441
Summer Semester	2,021	2,072	51	1,925	1,721	(204)	2,400	2,311	(89)	2,300	2,512	212	2,500
Conferences (Summer)	971	1,135	164	1,500	1,470	(30)	1,500	1,575	75	1,515	1,808	293	1,800
Late Payments	75	81	6	58	50	(8)	58	48	(10)	50	54	4	55
Cancellation Fees	375	384	9	425	431	6	425	393	(32)	350	346	(4)	350
Administrative Revenue	300	315	15	320	2	(318)	320	294	(26)	295	290	(5)	295
Miscellaneous	80	79	(1)	75	30	(45)	75	154	79	108	129	21	120
Total Operating Revenue	$28,444	$28,701	$257	$29,185	$29,074	($111)	$29,660	$30,207	$547	$29,500	$30,702	$1,202	$30,342
Total Operations & Maintenance Expenses	$21,912	$22,109	($197)	$19,009	$19,739	($730)	$21,196	$21,444	($248)	$20,080	$20,901	($821)	$21,729
Total Net Operating Income	$6,532	$6,592	$60	$10,176	$9,335	($841)	$8,464	$8,763	$299	$9,420	$9,801	$381	$8,613
Non-Operating Revenue (Expenses)													
Repairs and Replacements	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Asset Related Debt	($3,316)	($3,316)	-	($4,552)	($4,552)	-	($4,387)	($4,387)	-	($4,196)	($4,196)	-	($3,987)
Investment Income	385	1,065	$680	385	385	-	731	731	-	385	451	$66	450
Other Non-Operating Income (Expenses)	(1,143)	(1,143)	-	36	36	-	7	7	-	-	(1)	(1)	-
Transfers In/(Out)	(1,700)	(1,802)	(102)	(2,170)	(2,176)	(6)	(2,301)	(2,345)	(44)	(2,656)	(5,294)	(2,638)	(9,010)
Total Other Expenses and Transfers	($5,774)	($5,196)	$578	($6,301)	($6,307)	($6)	($5,950)	($5,994)	($44)	($6,467)	($9,040)	($2,573)	($12,547)
Net Increase (Decrease) in Fund Balance	$758	$1,396	$638	$3,875	$3,028	($847)	$2,514	$2,769	$255	$2,953	$761	($2,192)	($3,934)

[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 detailed in the table on the prior page, the net operating income for Fiscal Year 2013-14 was approximately in line with the budgeted amount, with total net operating income $60,000 more than budgeted. Total operating revenue was over budget by $257,000 due to better than projected occupancy. This was partially offset by operations and maintenance expenses coming in over budget by $197,000 due to an increase in housing repairs and the purchase of non-capital furniture and equipment to furnish the new Academic Villages II housing facility which opened in Fiscal Year 2013-14. Additionally, investment income was $680,000 more than budgeted due to unrealized gains, and transfers out were $102,000 over the budgeted amount. In total, the net increase in fund balance for Fiscal Year 2013-14 was $638,000 more than budgeted.

In Fiscal Year 2014-15, net operating income was $841,000 below budget. Total operating revenues came in $111,000 under budget as a result of a reduction in management fees paid by the UCF Convocation Corporation due to overpayment in prior fiscal years. Operations and maintenance expenses were $730,000 more than budgeted due to HVACs and carpet replacement projects occurring a year earlier than planned. Total non-operating revenues and expenses were approximately in line with the budgeted amount. Overall, the net increase in fund balance was $847,000 less than budgeted.

In Fiscal Year 2015-16, net operating income was $299,000 over the budgeted amount. Operating revenues were $547,000 over budget due to better than projected occupancy and operations and maintenance expenses were $248,000 above budget due to across the board salary and merit increases. Additionally, transfers out were slightly above budget. Overall, the net increase in fund balance for Fiscal Year 2015-16 was $255,000 more than budgeted.

In Fiscal Year 2016-17, net operating income was $381,000 more than budgeted, as operating revenues exceeded the projection by $1.2 million due to higher than projected occupancy and summer conference business while the operating and maintenance expenses were $821,000 higher than budgeted as a result of maintenance and custodial increases along with higher than projected roof replacement costs. Additionally, transfers out were $2.6 million higher than budgeted due to a $2.6 million transfer to assist in the funding of the University's downtown campus project.

Preliminary analysis of Fiscal Year 2017-18 actual to budgeted amounts shows that operating revenues and operating expenses are in line with projections.

Selected Historical Financial Information

The following two tables set forth selected historical financial information for the University Housing System for Fiscal Years 2012-13 through 2016-17. 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. This information has not been audited, however, the information is included in the University's financial statements, which are audited by the State of Florida Auditor General's Office, except for 2016-17 which is preliminary and unaudited. The University's Financial Statements for Fiscal Year 2016-17 (which have not yet been audited), and the unaudited Housing System Financial Statements for Fiscal Year 2016-17 are reproduced as Appendix I and Appendix J, respectively. 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.

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Statement of Net Assets
(Unaudited)

	Fiscal Year Ended June 30				
	2012-13	2013-14	2014-15	2015-16	2016-17
ASSETS					
Current and Cash Equivalents	$945,888	$1,038,907	$1,188,377	$1,787,339	$777,869
Investments	7,707,269	11,159,376	13,020,063	16,333,170	14,992,433
Accounts Receivable, Net	668,749	805,454	1,693,178	1,652,464	1,836,182
Due from Other University Departments	1,020,944	56,304	54,699	-	-
Deferred Charges and Other Assets	67,559	485	262	-	-
Total Current Assets	$10,410,409	$13,060,526	$15,956,579	$19,772,973	$17,606,484
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	$1,567,131	$804,381	$949,555	$1,035,704	$596,966
Restricted Investments	23,871,176	11,353,487	10,318,230	8,924,217	10,565,418
Deferred Charges and Other Assets	1,088,734	-	-	-	-
Depreciable Capital Assets, Net	69,593,767	104,203,086	99,862,057	96,211,377	91,888,914
Nondepreciable Capital Assets	31,315,541	78,362	617,400	72,997	1,242,726
Total Noncurrent Assets	$127,436,349	$116,439,316	$111,747,242	$106,244,295	$104,294,024
TOTAL ASSETS	$137,846,758	$129,499,842	$127,703,821	$126,017,268	$121,900,508
LIABILITIES					
Current Liabilities:					
Accounts Payable	$31,559	$237,650	$137,505	$496,826	$272,891
Construction Contracts Payable	8,402,060	1,125,413	186,780	32,343	41,938
Salaries and Wages Payable	146,465	189,099	221,906	301,940	347,799
Deposits Payable	302,000	200,000	201,200	201,500	251,800
Unearned Revenue	2,586,873	3,282,232	3,704,292	3,365,959	3,200,369
Long-Term Liabilities - Current Portion:					
Capital Improvement Debt Payable	3,270,000	4,225,000	4,395,000	4,580,000	4,795,000
Compensated Absences Payable	32,572	33,924	34,379	35,450	36,087
Total Current Liabilities	$14,771,529	$9,293,318	$8,881,062	$9,014,018	$8,945,884
Noncurrent Liabilities:					
Capital Improvement Debt Payable	$107,207,717	$102,925,591	$98,507,956	$93,905,321	$89,087,686
Compensated Absences Payable	432,743	450,705	456,746	470,972	479,437
Total Noncurrent Liabilities	$107,640,460	$103,376,296	$98,964,702	$94,376,293	$89,567,123
TOTAL LIABILITIES	$122,411,989	$112,669,614	$107,845,764	$103,390,311	$98,513,007
NET POSITION					
Net Investment in Capital Assets	$3,951,491	$(2,869,144)	$(2,423,499)	$(2,200,947)	$(751,046)
Restricted for Expendable:					
Debt Service	2,920	3,056	3,133	3,664	5,994
Capital Projects	2,998,387	11,038,408	11,078,132	9,923,914	11,114,452
Unrestricted	8,481,971	8,657,908	11,200,291	14,900,326	13,018,102
TOTAL NET POSITION	$15,434,769	$16,830,228	$19,858,057	$22,626,957	$23,387,501
TOTAL LIABILITIES AND NET POSITION	$137,846,758	$129,499,842	$127,703,821	$126,017,268	$121,900,508

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

	Fiscal Year Ended June 30				
	2012-13	2013-14	2014-15	2015-16	2016-17
Operating Revenues					
Housing Room Rentals and Other Charges	$24,387,028	$28,307,424	$29,041,650	$29,758,635	$30,282,753
Other Operating Revenue	346,089	394,205	33,013	447,692	419,788
Total Operating Revenues	$24,733,117	$28,701,629	$29,074,663	$30,206,327	$30,702,541
Operating Expenses					
Compensation and Benefits	$6,698,075	$7,048,472	$7,671,865	$8,331,070	$8,660,170
Materials and Services	5,148,186	7,808,998	4,251,116	5,404,810	4,600,799
Utilities	2,296,416	2,472,571	2,808,002	2,790,432	2,916,867
Scholarships & Fellowships	65,691	120,451	99,652	114,686	95,906
Depreciation Expense	3,669,678	4,658,410	4,908,482	4,803,285	4,627,521
Total Operating Expenses	$17,878,046	$22,108,902	$19,739,117	$21,444,283	$20,901,263
Total Operating Income (Loss)	$6,855,071	$6,592,727	$9,335,546	$8,762,044	$9,801,278
Non-Operating Revenues (Expenses)					
Net Investment Income	$825,110	$1,064,872	$385,000	$731,323	$451,349
Other Non-Operating Revenues	5,080	4,667	36,354	7,039	-
Other Non-Operating Expenses	(139,053)	(1,149,241)	(354)	-	(1,500)
Interest on Asset-Related Debt	(3,907,907)	(3,315,725)	(4,552,358)	(4,386,894)	(4,196,149)
Total Non-Operating Revenue (Expenses)	($3,216,770)	($3,395,427)	($4,131,358)	($3,648,532)	($3,746,300)
Income (Loss) Before Contributions	$3,638,301	$3,197,300	$5,204,188	$5,113,512	$6,054,978
Contributions and Transfers					
Transfers to Other University Departments	($1,695,175)	($1,801,841)	($2,176,359)	($2,344,612)	($5,294,434)
Increase in Net Position	$1,943,126	$1,395,459	$3,027,829	$2,768,900	$760,544
Net Position, Beginning of Year	$13,491,643	$15,434,769	$16,830,228	$19,858,057	$22,626,957
Net Position, End of Year	$15,434,769	$16,830,228	$19,858,057	$22,626,957	$23,387,501

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 2018A Bonds. See "SECURITY FOR THE 2018A 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 2012-13 to Fiscal Year 2016-17, Housing System operating revenues increased 24% primarily due to increases in student capacity from the expansion of the Academic Villages II housing facility during 2013-14.

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. Over the past five fiscal years, from 2013 to 2017, Housing System operating expenses (net of depreciation and after the adjustments discussed above) increased by 15%, primarily a result of increased personnel costs resulting from annual salary increases, as well as increases in employer costs for healthcare and retirement benefits.

Amounts shown as "Contributions and Transfers" primarily reflect transfers for the Housing System's allocation of University administrative overhead expenses and miscellaneous interdepartmental transfers. Fiscal Year 2017 also includes a $2,550,000 transfer to support the construction of facilities.

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 Year Ended June 30				
	2013	**2014**	**2015**	**2016**	**2017**
Total Operating Revenue [2]	$24,733,117	$28,701,629	$29,074,663	$30,206,327	$30,702,541
Less Current Expenses [3]	(14,208,368)	(17,450,492)	(14,830,635)	(16,640,998)	(16,273,742)
Net Operating Revenue	$10,524,749	$11,251,137	$14,244,028	$13,565,329	$14,428,799
Plus Operating Interest	844,375	614,115	380,065	675,421	360,093
Pledged Revenues	$11,369,124	$11,865,252	$14,624,093	$14,240,749	$14,788,892
Annual Debt Service on Parity Bonds	$8,242,125	$7,971,370	$8,789,768	$8,794,739	$8,789,511
Pledged Revenues After Debt Service and Available for Other Expenditures	$3,126,999	$3,893,882	$5,834,325	$5,446,010	$5,999,381
Maximum Annual Debt Service [4]	$8,794,739	$8,794,739	$8,794,739	$8,794,739	$8,789,511
Debt Service Coverage:					
Annual Debt Service	1.38x	1.49x	1.66x	1.62x	1.68x
Maximum Annual Debt Service	1.29x	1.35x	1.66x	1.62x	1.68x

[1] Revenue and Expense information was provided by the University and has not been audited.
[2] Includes rental income, conference revenue, late fees, cancellation fees, vending revenue and other miscellaneous revenue.
[3] Includes operating expenses, but specifically excludes depreciation expense.
[4] For Fiscal Years 2013 through 2016, maximum annual debt service was payable in Fiscal Year 2016. For Fiscal Year 2017, maximum annual debt service is payable in Fiscal Year 2017.

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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 2017-18 with no anticipated rental rate increases. It has been assumed that all housing facilities will have a 97% 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 expenses for Fiscal Year 2017-18 are estimated to be approximately 2% below the Fiscal Year 2016-17 amount, and have been projected to increase by approximately 3% from Fiscal Year 2017-18 to Fiscal Year 2018-19, and approximately 2% annually thereafter.

Projected Pledged Revenues and Debt Service Coverage [1]

	Fiscal Year Ended June 30				
	2018	**2019**	**2020**	**2021**	**2022**
Total Operating Revenue [2]	$30,342,000	$30,342,000	$30,342,000	$30,342,000	$30,342,000
Less Current Expense [3]	(15,926,499)	(16,390,412)	(16,740,195)	(17,101,781)	(17,475,646)
Pledged Revenues [4]	$14,415,501	$13,951,588	$13,601,805	$13,240,219	$12,866,354
Annual Debt Service:					
Parity Bonds [5,6]	$8,782,332	$7,448,538	$4,405,150	$4,403,650	$4,411,275
2018A Bonds	-	1,184,570	3,932,100	3,930,375	2,718,375
Total Annual Debt Service	$8,782,332	$8,633,107	$8,337,250	$8,334,025	$7,129,650
Pledged Revenues After Debt Service and Available for Other Expenditures	$5,633,169	$5,318,481	$5,264,555	$4,906,194	$5,736,704
Maximum Annual Debt Service [7]	$8,782,332	$8,633,107	$8,337,250	$8,334,025	$7,131,400
Debt Service Coverage:					
Annual Debt Service	1.64x	1.62x	1.63x	1.59x	1.80x
Maximum Annual Debt Service	1.64x	1.62x	1.63x	1.59x	1.80x

[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] Fiscal Year 2018 includes a $667,467 transfer from the sinking fund to the Escrow Deposit Trust Fund that represents accrued debt service on the Refunded Bonds.
[7] For Fiscal Years 2018 through 2021, maximum annual debt service is equal to the annual debt service amount in each year. For Fiscal Year 2022, maximum annual debt service occurs in Fiscal Year 2025.

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SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Bonds which will be outstanding subsequent to the refunding to be accomplished with the proceeds of the 2018A Bonds, as well as the debt service on the 2018A Bonds and the total debt service.

Fiscal Year	Outstanding	2018A Bonds Debt Service			Total
Ending June 30	Bonds [1,2]	Principal	Interest	Total	Debt Service
2018	$8,782,332	-	-	-	$8,782,332
2019	7,448,538	-	$1,184,570	$1,184,570	8,633,107
2020	4,405,150	$2,855,000	1,077,100	3,932,100	8,337,250
2021	4,403,650	2,985,000	945,375	3,930,375	8,334,025
2022	4,411,275	1,895,000	823,375	2,718,375	7,129,650
2023	4,407,775	1,995,000	726,125	2,721,125	7,128,900
2024	4,408,025	2,095,000	623,875	2,718,875	7,126,900
2025	4,414,900	2,200,000	516,500	2,716,500	7,131,400
2026	4,410,450	2,310,000	403,750	2,713,750	7,124,200
2027	4,404,850	2,435,000	285,125	2,720,125	7,124,975
2028	4,402,756	1,420,000	188,750	1,608,750	6,011,506
2029	4,403,488	1,495,000	115,875	1,610,875	6,014,363
2030	4,411,488	1,570,000	39,250	1,609,250	6,020,738
2031	4,411,738	-	-	-	4,411,738
2032	2,602,631	-	-	-	2,602,631
2033	2,601,425	-	-	-	2,601,425
2034	2,598,163	-	-	-	2,598,163
2035	2,599,538	-	-	-	2,599,538
2036	2,602,406	-	-	-	2,602,406
2037	2,601,663	-	-	-	2,601,663
2038	2,602,200	-	-	-	2,602,200
2039	2,598,913	-	-	-	2,598,913
2040	2,601,588	-	-	-	2,601,588
2041	2,600,013	-	-	-	2,600,013
2042	2,599,081	-	-	-	2,599,081
Total	$97,734,032	$23,255,000	$6,929,670	$30,184,670	$127,918,702

[1] Excludes annual debt service of approximately $667,467 in Fiscal Year 2018, $1.3 million in Fiscal Year 2019, $4.4 million in Fiscal Years 2020-2021, $3.1 million in Fiscal Years 2022-2027, and $1.8 million in Fiscal Years 2028-2030 on the Refunded Bonds which are scheduled for redemption on March 19, 2018.

[2] Fiscal Year 2018 includes $667,467 transfer from the sinking fund to the Escrow Deposit Trust Fund that represents accrued debt service on the Refunded Bonds.

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 2018A 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 2018A Bonds in order that interest on the 2018A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2018A Bonds to be included in federal gross income retroactive to the date of issuance of the 2018A 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 2018A 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 of Governors, 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 2018A Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2018A Bonds is excluded from gross income for purposes of federal income taxation. Interest on the 2018A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2018A Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018.

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 2018A Bonds. Prospective purchasers of 2018A Bonds should be aware that the ownership of 2018A 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 2018A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on 2018A Bonds; (iii) the inclusion of interest on 2018A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on 2018A 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 2018A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Board of Governors and the Division of Bond Finance, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the 2018A Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2018A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2018A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2018A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2018A Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the 2018A Bonds and proceeds from the sale of 2018A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2018A Bonds. This withholding generally applies if the owner of 2018A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2018A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

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 2018A 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 2018A 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 2018A 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 2018A Bonds.

Prospective purchasers of the 2018A Bonds should consult their own tax advisors as to the tax consequences of owning the 2018A Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Bond Premium

The difference between the principal amount of the 2018A Bonds ("the "Premium 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 such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium

Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

State Taxes

The 2018A 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 2018A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2018A Bonds for estate tax purposes.

The 2018A 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 2018A Bonds will be deposited as described under the heading "THE REFUNDING PROGRAM." 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 December 31, 2017, the ratio was approximately 45% internally managed funds, 44% externally managed funds, 5% Certificates of Deposit and 6% in an externally managed Security Lending program. The total portfolio market value on December 31, 2017, was $24,960,885,555.34.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of December 31, 2017, $15.851 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; additionally, $7.461 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 Comprehensive Investment Policy. 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 companies hired by the State.

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, 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, 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 FRS Investment Plan investment options, Florida Hurricane Catastrophe Fund moneys, 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 December 31, 2017, the Board of Administration directed the investment/administration of 30 funds in 550 portfolios.

As of December 31, 2017 the total market value of the FRS (Defined Benefit) Trust Fund was $162,088,754,843.25. 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 29 designated funds other than the FRS (Defined Benefit) Trust Fund. As of December 31, 2017, the total market value of these funds equaled $43,086,239,309.48. 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

Moody's Investors Service, Standard & Poor's Ratings Services and Fitch Ratings (herein referred to collectively as "Rating Agencies"), have assigned their municipal bond ratings of Aa3, A+ and A+, respectively, to the 2018A 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 2018A 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 2018A 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: Assured Guaranty Corp. (Assured) - S&P/AA, Moody's/A3; Assured Guaranty Municipal Corp. (AG Muni - formerly, Financial Security Assurance Inc.) - S&P/AA, Moody's/A2, and MBIA Insurance Corporation - Moody's/Caa1. Assured has a stable outlook by S&P and Moody's. AG Muni has a stable outlook by both Moody's and S&P. MBIA has a developing outlook by Moody's. Fitch has withdrawn its ratings for Ambac Assurance Corporation (Ambac), Financial Guaranty Insurance Company (FGIC), MBIA, Syncora Guarantee Inc. (Syncora), Assured and AG Muni; Moody's and S&P have withdrawn their ratings for FGIC, Ambac and Syncora. S&P has withdrawn its ratings for MBIA and National Public Finance Guarantee Corporation ("National"). National is currently rated "Baa2" by Moody's with a stable outlook. MBIA has entered into a reinsurance agreement with National whereby National has reinsured all US public finance transactions of MBIA. 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 2018A 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 2018A Bonds or the proceedings and authority under which the 2018A 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 effect on the issuance and delivery of the 2018A 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 2018A 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 2018A 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 L.

Continuing Disclosure

The Board and the University will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2018A 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 K, 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. However, in March 2016, the Board failed to file a material event notice of a rating downgrade within the prescribed ten business days because neither the University of North Florida nor Standard & Poor's notified the

Board or the State of the rating downgrade. The material event notice of the rating downgrade was filed four days late upon the Board and the State learning of the downgrade.

Underwriting

Janney Montgomery Scott LLC (the “Underwriters”) have agreed to purchase the 2018A Bonds at an aggregate purchase price of $26,360,532.19 (which represents the par amount of the 2018A Bonds plus an original issue premium of $3,179,007 and minus the Underwriters’ discount of $73,474.81). The Underwriters may offer and sell the 2018A 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. The offering prices or yields on the 2018A Bonds set forth on the inside cover may be changed after the initial offering by the Underwriters.

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

NED C. LAUTENBACH
Chair

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APPENDIX A

DEFINITIONS

"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 $66,640,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series 2012A.

"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 Refunding 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, amending the Original Resolution.

"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, Sumter Hall, Flagler Hall, Citrus Hall, Academic Village (Nike), Academic Village (Hercules), Academic Village (Neptune) and Greek Buildings 409, 411, 416 and 417;

(2) 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.

"**Ninth Supplemental Resolution"** means a resolution adopted June 14, 2017, by the Governing Board of the Division, authorizing the issuance and sale of the Refunding Bonds.

"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 on May 29, 1996, November 26, 2002, September 19, 2007, and January 18, 2012, and as may be amended 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 2002 Bonds, 2007A Bonds, and the 2012A 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 a portion of the State of Florida, Florida Board of Education, University of Central Florida Housing Revenue Refunding Bonds, Series 2002, and State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2007A.

"Refunding Bonds" or "2018A Bonds" means the State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2018A, authorized by the Ninth Supplemental Resolution.

"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.

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* There will be no Reserve Requirement for the 2018A 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.

APPENDIX B

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 underlining, 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 Governors ~~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 Governors ~~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 Governors ~~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 Governors ~~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 Governors ~~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 Governors ~~Regents~~ or other appropriate State official pursuant to Section 5.01(E)(1), will be at least equal to one hundred twenty ~~thirty~~ percent (120% ~~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 Governors ~~Regents~~ as follows:

(a) If the Board of Governors ~~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 Governors ~~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 Governors ~~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 Governors ~~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 Governors ~~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 Governors ~~Regents~~, shall be adjusted to show the Pledged Revenues estimated by the Board of Governors ~~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

**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.

APPENDIX G

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

A RESOLUTION
(THE NINTH 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)

June 14, 2017

A RESOLUTION (THE NINTH 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); REFUNDING ALL OF A PORTION OF CERTAIN OUTSTANDING BONDS OF THE UNIVERSITY; 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).

"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.

"Ninth 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 2002 Bonds, the Outstanding 2007A Bonds, and the State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series 2012A.

"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 2002 Bonds and the Outstanding 2007A 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 Ninth Supplemental 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 $33,000,000 on a date and at the time to be determined by the Director. 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 provide notice pursuant to applicable law of such sale, at a time and in such manner as determined by the Director to be appropriate to provide adequate notice to potential bidders; provided, that if no bids are received, 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 determined by the Director.

(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 publication or 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 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 public 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 public 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth Supplemental Resolution to the same extent as if incorporated verbatim in this Ninth 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

MISCELLANEOUS PROVISIONS

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Ninth 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 5.02. 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 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 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Ninth 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 Ninth 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 Ninth Supplemental Resolution or of the Refunding Bonds issued hereunder.

SECTION 5.05. 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 5.06. 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 Ninth Supplemental Resolution, to the extent that they are inconsistent with this Ninth 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 Ninth Supplemental Resolution pursuant to the Original Resolution, as amended and supplemented, is hereby canceled.

SECTION 5.09. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original Resolution or this Ninth 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 5.10. CONFIRMATION OF ORIGINAL RESOLUTION. As supplemented by this Ninth Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Ninth Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

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

ADOPTED on June 14, 2017.

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 66,000 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.

[1] Source: Information in Appendix H provided by the University of Central Florida.

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.

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: Research Building I, Downtown Campus, Library Renovation, College of Nursing, Hospital, Engineering Building I Renovation, Math-Sciences Building Renovation, Student Union Expansion, District Energy Plant IV, CREOL Building Expansion, Trevor Colbourn Hall, and Partnership IV Building 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 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 189 permanent buildings containing a total of 10.5 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 Classroom II Building, Athletic Student Leadership Center, Baseball Stadium Expansion, Band Building, Garage C expansion, Dining services facility, and Health Center expansion.

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	Total Requested
From Public Education Capital Outlay ("PECO") Monies	
Utilities, Infrastructure	$70,000,000
Research Building I	23,639,773
Engineering Building I Renovation	18,921,784
Classroom Building II	23,475,601
College of Nursing Building	83,216,700
Math Sciences Building	12,861,144
Treveor Colbourn Hall	38,000,000
John C. Hitt Library Renovation Phase II	41,268,246
Arts Complex Phase I	33,292,800
Rosen Educational Facility	6,500,000
Chemistry Renovation	14,132,162
Florida Solar Energy Center Renovation	11,322,000
Infrastructure Chilled Water Replacement	22,701,120
Research Building II	68,597,733
Visual Arts Renovation and Expansion	38,913,623
Wastewater, Water, Natural Gas Replacement	30,120,600
Millican Hall Renovation	14,729,917
Business Administration Renovation	13,572,871
Facilities and Safety Complex Renovation	6,287,805
Research Building III	74,833,891
Multi-purpose Research and Education Building	36,049,431
UCF Downtown Campus Building II	87,991,555
Total - PECO	**$770,428,756**
Other Projects	
Caracol in Belize-R	$350,000
ARA Research Building	27,540,000
Arts Complex III	15,884,340
Arts Complex Phase II (Performance)	38,555,220
Band Building II Infrastructure	4,139,753
Baseball Clubhouse Expansion and Renovation	1,132,200
Baseball Stadium Expansion Phase II	3,396,600
Biological Sciences Renovation	10,189,800
Bio-Medical Annex Renovation and Expansion	14,492,160
Business Administration III Building	17,665,689
Camera Access Control	13,219,200
Campus Entryways Phase I	2,153,996
Campus Entryways Phase II	5,015,978
Civil and Environmental Engineering	26,008,410
Classroom Building III	29,394,773
Coastal Biology Station	6,358,435
College of Sciences Building Renovation	4,091,598
Creative School for Children	6,000,000
Dental School Health Sciences Campus	73,000,000
Downtown Welcome Center	3,060,000
Education Building II	20,790,235

Facilities and Safety Building at Health Sciences Campus	7,630,122
Ferrell Commons (E and G Space) Renovation	7,253,771
Football Building	16,685,798
Garvy Center For Student-Athlete Nutrition	1,850,000
Golf Training Facility	2,000,000
Graduate Housing	61,138,800
Health Sciences Campus Parking Garage I	16,983,000
Howard Phillips Hall Renovation	9,165,322
Humanities And Fine Arts II	28,746,914
Institute for Hospitality in Healthcare Health Sciences Campus	15,300,000
Multi-Purpose Medical Research and Incubator Facility	139,635,343
Outpatient Center Lake Nona	91,708,200
Parking Deck	5,661,000
Parking Decks	20,787,192
Parking Garage VII	25,433,741
Partnership Garage	8,559,432
Recycling Center	29,248,802
Research Building IV	28,218,241
Simulation and Training Building	26,426,559
Social Sciences Facility	30,520,489
Special Purpose Housing and Parking Garage	30,569,400
Special Purpose Housing II	9,782,208
Spectrum Stadium Expansion and Improvements Phase I	16,416,900
Spectrum Stadium Expansion and Improvements Phase II	44,905,316
Spectrum Stadium Rust Remediation	8,823,000
Student Housing	61,138,800
Sustainability Center	6,358,435
Technology Commons II Renovation	3,781,674
Theatre Building Renovation	4,338,335
Transgenic Animal Facility	2,010,000
UCF Downtown Campus Garage II	16,983,000
UCF Health Expansion And Wellness Center	12,716,870
UCF Solar Farm	15,300,000
Utility Infrastructure and Site Work Clinical Facilities Health Sciences Campus	13,230,632
Venue Expansion and Renovation	8,000,000
Venue HVAC	2,800,000
Welcome Center Expansion	8,768,771
Wet Teaching Lab and Expanded Stem Facility	16,143,188
Total Other Projects	**$1,177,457,642**
Total PECO and Other Projects	**$1,947,886,398**

Budgetary Process

The university's operating budget is comprised of the following budget entities: Educational and General, Student Financial Aid, Contracts and Grants, Auxiliary Enterprises, Intercollegiate Athletics, Student Activities, Faculty Practice (Medical School), Technology Fee, and Concessions. Operating budgets are presented to the University Board of Trustees for approval.

Educational and General. The university receives an allocation of educational and general resources from the Legislature. The Florida State University System allocation is developed in accordance with the General Appropriations Act. Allocations within the university are distributed to vice presidents who are responsible for significant functional areas. The allocation of new E&G funding, except when specifically designated by the Florida Legislature, is determined by the University Budget Committee, and the complete budget allocation is approved by the President and Provost & Vice President for Academic Affairs. Vice presidents are responsible for fiscal management and allocations of funding within their respective areas. Budget, Planning, and Administration monitors fiscal plans and reporting.

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 and Intercollegiate Athletics. Auxiliary enterprises include those activities that are not instructional in nature but support the operation of the university. Auxiliary operating units and athletics submit budget requests to Budget, Planning, and Administration for review and incorporation into the overall university budget. Budgets are based on planned expenditures, and units must operate within the cumulative amount of net revenue generated.

Faculty Practice. This budget supports administrative services for the College of Medicine's faculty practice and healthcare consulting. This entity performs the billing and collection of professional fees associated with the practice of medicine and advisory services, and pays associated non-salary operating expenses for those services.

Student Activities. In accordance with Florida Statute Section 1009.24(10), the student activities budget is funded by the Activity and Service Fee paid by students and includes expenditures for student government and student clubs and organizations. This budget is prepared by the Activity and Service Fee Budget Committee, and is approved by the Student Senate, Vice President of Student Development and Enrollment Services, and the President.

Technology Fee. In accordance with Florida Statute Section 1009.24(13), technology fees are used to enhance instructional technology for students and faculty. The budget is based on estimated expenditures for projects approved by the Technology Fee Committee.

Concessions. The concessions budget is funded from vending commissions and sponsorship revenue. The budget, including allocations to divisions within the university, is developed by Budget, Planning, and Administration based on planned expenditures, cash balances, and anticipated revenue. The overall budget and allocation within the university is approved by the President and Vice President for Administration & Finance & Chief Financial Officer.

The following table sets forth history of the university's operating budget by budget entity.

Operating Budget

	Fiscal Year Ended June 30				
Budget Entity	**2014**	**2015**	**2016**	**2017**	**2018**
Educational and General	$529,044,214	$561,912,799	$582,916,172	$647,138,521	$680,003,463
Student Financial Aid	521,544,307	503,923,681	507,419,674	513,219,163	515,975,644
Contracts and Grants	150,912,000	152,584,000	155,283,000	160,694,000	163,703,000
Auxiliary Enterprises	188,545,104	206,596,893	236,260,851	251,990,997	275,887,508
Intercollegiate Athletics	38,359,985	41,841,521	46,587,726	48,071,625	48,376,154
Student Activities	21,945,080	20,000,000	20,500,000	23,750,000	28,217,277
Faculty Practice (Med. School)	4,119,389	3,873,540	5,636,009	8,065,855	8,687,286
Technology Fee	9,945,000	9,100,000	9,100,000	9,100,000	9,100,000
Concessions	420,000	460,000	500,000	750,000	750,000
Total	$1,464,835,079	$1,500,292,434	$1,564,203,432	$1,662,780,161	$1,730,700,332

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
(as a percent of total)

	Fiscal Years Ended June 30				
Funding Source	**2013**	**2014**	**2015**	**2016**	**2017** [1]
State Appropriations	25%	30%	32%	31%	32%
Net Student Tuition and Fees	33%	29%	30%	30%	28%
Federal and State Student Financial Aid	17%	15%	14%	14%	13%
Capital Appropriations, Grants, and Transfers	1%	3%	2%	3%	5%
Auxiliary Enterprises	7%	7%	7%	7%	7%
Federal Contracts, Grants and Gifts	11%	9%	10%	9%	8%
Private Contracts, Grants and Gifts	2%	2%	2%	2%	2%
State Contracts, Grants and Gifts	1%	1%	1%	1%	1%
Other Sources	3%	4%	2%	3%	4%
Total	100%	100%	100%	100%	100%

[1] Numbers for 2016-17 are preliminary and unaudited.
Note: Numbers may not add due to rounding.

Tuition and Fees. The following table lists historical tuition and fees charged to each undergraduate student per credit hour.

Tuition and Fees
Undergraduate Students
(per credit hour)

	Academic Year				
	2013-14	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Tuition and Statutory Fees					
Resident Students:					
Tuition	$105.07	$105.07	$105.07	$105.07	$105.07
Differential Tuition[1]	44.20	44.20	44.20	44.20	44.20
Capital Improvement Trust Fund Fee	6.76	6.76	6.76	6.76	6.76
Student Financial Aid Fee	5.16	5.16	5.16	5.16	5.16
Total	$161.19	$161.19	$161.19	$161.19	$161.19
Non-Resident Students *(in addition to above):*					
Non-Resident Fee	$511.06	$511.06	$511.06	$511.06	$511.06
Supplemental Student Financial Aid Fee	25.55	25.55	25.55	25.55	25.55
Total	$697.80	$697.80	$697.80	$697.80	$697.80
Local Fees[2]					
Activity & Service Fee	$10.79	$11.67	$11.67	$11.67	$11.67
Athletic Fee	13.44	14.32	14.32	14.32	14.32
Health Fee	10.89	10.84	10.84	10.84	10.84
Technology Fee	5.16	5.16	5.16	5.16	5.16
Transportation Access Fee	9.10	9.10	9.10	9.10	9.10
Total	$49.38	$51.09	$51.09	$51.09	$51.09
Total Per Credit Hour					
Resident Students	$210.57	$212.28	$212.28	$212.28	$212.28
Non-Resident Students	$747.18	$748.89	$748.89	$748.89	$748.89

[1] Students with active Florida Prepaid contracts purchased before July 1, 2007 are exempt.
[2] Assessed in addition to tuition and statutory fees.

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The following table lists the historical tuition and fees charged to each graduate student per credit hour.

Tuition and Fees
Graduate Students
(per credit hour)

	Academic Year				
	2013-14	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Tuition and Statutory Fees					
Resident Students:					
Tuition	$288.16	$288.16	$288.16	$288.16	$288.16
Capital Improvement Trust Fund Fee	6.76	6.76	6.76	6.76	6.76
Student Financial Aid Fee	14.40	14.40	14.40	14.40	14.40
Total	$309.32	$309.32	$309.32	$309.32	$309.32
Non-Resident Students *(in addition to above):*					
Non-Resident Fee	$785.15	$785.15	$785.15	$785.15	$785.15
Supplemental Student Financial Aid Fee	39.25	39.25	39.25	39.25	39.25
Total	$1,133.72	$1,133.72	$1,133.72	$1,133.72	$1,133.72
Local Fees[1]					
Activity & Service Fee	$10.79	$11.67	$11.67	$11.67	$11.67
Athletic Fee	13.44	14.32	14.32	14.32	14.32
Health Fee	10.89	10.84	10.84	10.84	10.84
Technology Fee	14.40	14.40	14.40	14.40	14.40
Transportation Access Fee	9.10	9.10	9.10	9.10	9.10
Total	$58.62	$60.33	$60.33	$60.33	$60.33
Total Per Credit Hour					
Resident Students	$367.94	$369.65	$369.65	$369.65	$369.65
Non-Resident Students	$1,192.34	$1,194.05	$1,194.05	$1,194.05	$1,194.05

[1] Assessed in addition to tuition and statutory fees.

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	General Revenue
2013-14	$244,566,698
2014-15	265,933,459
2015-16	280,320,247
2016-17	321,697,597
2017-18[1]	343,210,433

[1] Anticipated general revenue appropriation determined by beginning of year operating 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: End of Year Operating Budget)

Fiscal Year	Educational & General [1]	Contracts & Grants	Auxiliary Enterprises	Student Financial Aid	Other	Total
2013-14	$284,477,516	$150,912,000	$188,545,104	$521,544,307	$74,789,454	$1,220,268,381
2014-15	295,979,340	152,584,000	206,596,893	503,923,681	75,275,061	1,234,358,975
2015-16	302,595,925	155,283,000	236,260,851	507,419,674	82,323,735	1,283,883,185
2016-17	325,440,924	160,694,000	251,990,997	513,219,163	89,737,480	1,341,082,564
2017-18 [2]	336,793,030	163,703,000	275,887,508	515,975,644	95,130,717	1,387,489,899

[1] Includes student tuition and Educational Enhancement Funds from the state lottery program.
[2] Determined by beginning of year fiscal operating budget

History of Financial Aid Awards. The following table sets forth the history of financial aid awards.

History of Financial Aid Awards [1]

	Fiscal Year Ended June 30				
	2012	**2013**	**2014**	**2015**	**2016**
Source of Award					
Federal	$319,792,019	$334,422,263	$334,208,746	$349,047,963	$350,125,586
State	57,459,989	54,724,928	54,222,317	49,914,309	47,549,324
Institutional	33,971,025	42,270,635	45,365,577	48,653,515	53,813,538
Private	17,078,230	19,602,537	19,144,674	21,314,454	23,997,614
Other	11,322	39,990	8,000	8,500	21,601
Total	$428,312,585	$451,060,353	$452,949,314	$468,938,741	$475,507,663
Type of Award					
Grants	$102,050,589	$109,236,995	$114,110,224	$121,973,658	$127,171,023
Loans	248,658,208	260,917,456	259,329,253	269,343,441	269,575,796
Scholarships	76,356,525	79,107,426	77,542,804	75,480,240	76,180,993
Student Employment	1,247,263	1,798,476	1,967,033	2,141,402	2,579,851
Total	$428,312,585	$451,060,353	$452,949,314	$468,938,741	$475,507,663

[1] Presentation based on aid year. Fiscal 2016-17 data not yet available.

Historical Summary of Statement of Net Position (000's)

	Fiscal Year Ended June 30				
	2013	**2014**	**2015**	**2016**	**2017** [1]
ASSETS					
Current assets:					
Cash and Cash Equivalents	$42,979	$41,026	$36,253	$30,463	$8,054
Restricted Cash and Cash Equivalents	4,093	3,981	4,615	4,101	4,138
Investments	334,699	388,718	411,202	405,697	434,337
Accounts Receivable, Net	42,240	45,734	53,434	61,032	58,727
Due From State	35,683	33,548	46,466	54,869	88,223
Due From Component Units/Primary Government	903	1,227	3,688	1,296	1,402
Inventories	2,466	1,991	2,446	2,586	2,321
Loans and Notes Receivable, Net	937	975	1,074	1,166	1,335
Other Current Assets	4,619	4,241	6,044	3,970	3,765
Total Current Assets	**$468,619**	**$521,440**	**$565,221**	**$565,179**	**$602,302**
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	$9,338	$9,918	$8,922	$13,754	$6,831
Restricted Investments	84,638	89,605	100,393	123,872	123,230
Loans and Notes Receivable, Net	4,004	3,654	5,273	5,649	5,706
Due from Component Units	10,526	9,939	6,915	6,615	6,208
Other Non-Current Assets	1,910	594	989	1,257	2,921
Non-depreciable Capital Assets, Net	80,985	34,336	41,845	66,035	117,437
Depreciable Capital Assets, Net	788,194	882,827	795,496	928,893	941,472
Total Non-Current Assets	**$979,595**	**$970,873**	**$959,833**	**$1,146,075**	**$1,203,805**
Total Assets	**$1,448,214**	**$1,492,313**	**$1,525,054**	**$1,711,254**	**$1,806,107**
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	-	-	$40,588	$57,578	$108,656
Accumulated Decrease in Fair Value of Hedging Derivatives	$11,583	$11,219	13,108	18,103	12,550
Total Deferred Outflows of Resources	**$11,583**	**$11,219**	**$53,696**	**$75,681**	**$121,206**
LIABILITIES					
Current liabilities:					
Accounts Payable and Accrued Liabilities	$12,424	$14,980	$16,935	$16,798	$13,468
Construction Contracts Payable	17,164	7,827	5,367	7,583	14,470
Salaries and Wages Payable	9,506	11,866	15,795	19,944	23,187
Deposits Payable	5,665	6,748	5,441	11,305	10,828
Due to Component Unit/Primary Government	6,370	8,063	8,263	14,906	20,750
Unearned Revenue	12,267	14,211	15,305	13,154	12,266
Other Current Liabilities	4,069	305	249	346	893
Long-Term Liabilities – Current Portion:					
Capital Improvement Debt Payable	7,160	8,280	8,345	8,155	8,520
Bonds Payable	1,240	1,295	1,355	1,415	1,490
Installment Purchases Payable	950	950	-	-	-
Net Pension Liability	-	-	1,437	1,828	1,795
Compensated Absences Payable	2,791	3,032	3,337	3,643	3,831
Total Current Liabilities	**$79,607**	**$77,557**	**$81,829**	**$99,076**	**$111,498**
Non-Current Liabilities:					
Capital Improvement Debt Payable	$151,815	$143,261	$134,133	$125,799	$117,144
Bonds and Revenue Certificates Payable	55,380	54,085	52,730	51,315	49,825
Installment Purchase Payable	950	-	-	-	-
Compensated Absences Liability	37,087	40,279	44,337	48,404	50,895
Postemployment Health Care Benefits Liability	35,492	48,177	59,802	79,335	98,724
Interest Rate Swap	-	11,219	13,108	18,103	12,550
Net Pension Liability	-	-	68,389	115,581	197,809
Other Noncurrent Liabilities	18,436	6,793	6,601	6,502	7,464
Total Non-Current Liabilities	**$299,160**	**$303,814**	**$379,100**	**$445,039**	**$534,411**
Total Liabilities	**$378,766**	**$381,371**	**$460,929**	**$544,116**	**$645,909**

[1] Numbers for Fiscal Year 2016-17 are preliminary and unaudited.
Note: Numbers may not add due to rounding.

Historical Summary of Statement of Net Position (000's)
(continued)

	Fiscal Year Ended June 30				
	2013	**2014**	**2015**	**2016**	**2017** [1]
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	-	-	$51,122	$18,247	$1,449
Total Deferred Inflows of Resources	**-**	**-**	**$51,122**	**$18,247**	**$1,449**
NET POSITION					
Invested in Capital Assets, Net of Related Debt	$681,399	$657,553	$646,846	$813,146	$887,635
Restricted for Expendable:					
Debt Service	1,422	1,422	1,422	1,428	1,431
Loans	3,800	3,803	3,928	3,862	3,755
Capital Projects	80,460	113,378	145,400	180,231	199,659
Other Restricted Net Assets	40,939	36,057	27,983	23,374	16,901
Unrestricted	273,012	309,948	241,119	202,532	170,574
Total Net Position	**$1,081,031**	**$1,122,161**	**$1,066,699**	**$1,224,573**	**$1,279,955**

[1] Numbers for Fiscal Year 2016-17 are preliminary and unaudited.
Note: 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)

	Fiscal Year Ended June 30				
	2013	**2014**	**2015**	**2016**	**2017** [1]
Operating Revenues:					
Student Tuition and Fees	$363,877	$370,450	$390,976	$411,013	$452,104
Less: Tuition and Scholarship Allowances	(101,651)	(104,140)	(105,399)	(113,674)	(138,839)
Net Student Tuition and Fees	$262,226	$266,310	$285,577	$297,339	$313,265
Federal Grants and Contracts	87,097	82,084	96,198	91,346	90,186
State and Local Grants and Contracts	7,987	6,814	6,491	7,567	7,876
Nongovernmental Grants and Contracts	18,935	19,131	18,141	18,212	20,764
Sales and Services of Auxiliary Enterprise	53,704	64,551	69,459	72,418	81,415
Interest on Loans Receivable	115	105	86	95	85
Other Operating Revenues	5,399	4,784	5,172	5,847	9,415
Total Operating Revenues	**$435,463**	**$443,780**	**$481,124**	**$492,824**	**$523,006**
Operating Expenses:					
Compensation and Employee Benefits	$458,332	$489,990	$526,314	$582,055	$649,234
Utilities and Communications	21,665	23,261	24,028	23,579	22,312
Services and Supplies	155,454	163,275	184,953	188,553	189,554
Scholarships, Fellowships and Waivers	83,615	84,331	87,875	83,048	89,931
Depreciation Expenses	56,189	60,850	57,049	60,045	62,794
Total Operating Expenses	**$775,254**	**$821,707**	**$880,219**	**$937,279**	**$1,013,825**
Total Operating Income (Loss)	**($339,791)**	**($377,928)**	**($399,095)**	**($444,455)**	**($490,819)**
Non-Operating Revenues (Expenses):					
State Appropriations	$195,590	$273,554	$301,945	$314,820	$360,532
Federal and State Student Financial Aid	135,539	137,019	135,263	139,246	140,560
Investment Income	10,142	21,861	8,402	14,379	12,998
Other Non-Operating Revenue	9,413	10,487	9,042	12,728	17,694
Gain (Loss) on Disposition of Assets	(489)	(5,643)	(926)	(590)	(502)
Interest on Capital Assets-Related Debt	(8,402)	(7,648)	(8,744)	(8,385)	(8,014)
Other Non-Operating Expenses	(23,162)	(33,852)	(35,584)	(27,729)	(37,700)
Total Non-Operating Revenues (Expenses)	**$318,630**	**$395,778**	**$409,399**	**$444,468**	**$485,568**
Income/(Loss) Before Other Revenues, Expenses, Gains or Loses	($21,161)	$17,850	$10,304	$13	($5,251)
Capital Appropriations	8,410	21,514	19,967	28,442	45,552
Capital Transfers In (Out)	-	-	-	128,699	-
Capital Grants, Contracts and Donations	1,882	1,766	382	719	15,081
Increase in Net Position	**($10,869)**	**$41,131**	**$30,652**	**$157,874**	**$55,382**
Net Position, Beginning of Year	**$1,091,900**	**$1,081,031**	**$1,122,161**	**$1,066,699**	**$1,224,573**
Adjustment to Beginning Net Assets	-	-	(86,115)	-	-
Net Assets, Beginning of Year, as Restated	-	-	**$1,036,046**	-	-
Net Position, End of Year	**$1,081,031**	**$1,122,161**	**$1,066,699**	**$1,224,573**	**$1,279,955**

[1] Numbers for Fiscal Year 2016-17 are preliminary and unaudited.
Note: Numbers may not add due to rounding.

Students

General. Preliminary student enrollment for the University during the fall of 2017 was 66,637. The average Scholastic Aptitude Test score of entering freshmen from the fall semester of 2017 was 1316 and the average high school grade point average was 4.06. 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 [1]

	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017 [2]
Total Students: [3]					
No. of Applicants	48,297	50,927	54,504	54,521	57,613
No. Admitted	23,506	24,935	26,445	27,041	27,789
% of Applicants Admitted	49%	49%	49%	50%	48%
No. Enrolled	12,398	13,129	13,687	13,651	14,090
% of Admitted Enrolled	53%	53%	52%	50%	51%
First Time-in-College:					
No. of Applicants	23,198	24,511	26,550	25,883	28,755
No. Admitted	10,087	10,692	11,421	11,383	11,874
% of Applicants Admitted	43%	44%	43%	44%	41%
No. Enrolled	3,378	3,745	3,716	3,536	3,747
% of Admitted Enrolled	33%	35%	33%	31%	32%
Community College Transfers:					
No. of Applicants	11,202	10,492	10,946	10,956	10,861
No. Admitted	8,099	7,803	8,253	8,446	8,178
% of Applicants Admitted	72%	74%	75%	77%	75%
No. Enrolled	5,951	5,789	6,132	6,124	5,878
% of Admitted Enrolled	73%	74%	74%	73%	72%
Other Undergraduate Transfers:					
No. of Applicants	3,146	3,132	3,312	3,548	3,840
No. Admitted	976	1,047	1,270	1,586	1,760
% of Applicants Admitted	31%	33%	38%	45%	46%
No. Enrolled	496	510	645	834	932
% of Admitted Enrolled	51%	49%	51%	53%	53%
Second Degree Undergraduate: [4]					
No. of Applicants	-	787	773	762	747
No. Admitted	-	655	634	646	616
% of Applicants Admitted	-	83%	82%	85%	82%
No. Enrolled	-	325	291	291	268
% of Admitted Enrolled	-	50%	46%	45%	44%
Post-Baccalaureate:					
No of Applicants	512	529	555	419	467
No. Admitted	507	520	541	413	459
% of Applicants Admitted	99%	98%	97%	99%	98%
No. Enrolled	295	301	327	210	275
% of Admitted Enrolled	58%	58%	60%	51%	60%
Graduate:					
No. of Applicants	6,310	7,212	7,329	7,686	8,013
No. Admitted	3,543	3,912	3,972	4,249	4,585
% of Applicants Admitted	56%	54%	54%	55%	57%
No. Enrolled	2,138	2,318	2,409	2,501	2,842
% of Admitted Enrolled	60%	59%	61%	59%	62%
Professional Schools:					
No. of Applicants	3,843	4,174	4,875	5,104	4,828
No. Admitted	270	284	294	279	284
% of Applicants Admitted	7%	7%	6%	5%	6%
No. Enrolled	119	120	121	120	119
% of Admitted Enrolled	44%	42%	41%	43%	42%

[1] Source: UCF Office of Institutional Knowledge Management
[2] Fall 2017 enrollment figures are preliminary.
[3] May not equal sum of components due to some students being accounted for as an unclassified status.
[4] Beginning in Summer 2014, second degree seeking undergraduate students are reported separately.

The table below shows the University's total headcount enrollment for the last five fall semesters.

Fall Headcount Enrollment by Level [1]

Fall	Undergraduate	Graduate	Medical	Total
2013	51,298	8,121	351	59,770
2014	52,539	7,862	420	60,821
2015	54,527	8,029	460	63,016
2016	55,783	8,075	477	64,335
2017 [2]	57,308	8,848	481	66,637

[1] Source: UCF Office of Institutional Knowledge Management.
[2] Fall 2017 enrollment figures are preliminary.

The full-time equivalent ("FTE") student calculation factor is a measure of student enrollment based on the number of student credit hours for which students enroll. FTE enrollment is determined by dividing the total number of hours enrolled by all students in a specific category by the appropriate hour requirement.

The Florida State University System has previously reported FTEs under its own methodology where 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 credit hours for undergraduate students and 32 credit hours for graduate students. Beginning in Academic Year 2016-17, annual full-time equivalency is 30 credit hours for undergraduate students and 24 credit hours for graduate students.

Full-Time Equivalent Enrollment by Level [1]
(Using the Florida State University System Method)

Academic Year	Lower Level	Upper Level	Graduate	Medical	Total
2012-13	11,707	22,467	4,419	277	38,870
2013-14	11,557	22,296	4,303	352	38,508
2014-15	12,018	22,329	4,138	420	38,905
2015-16	12,598	22,862	4,151	460	40,071
2016-17[2]	17,299	31,303	5,691	482	54,775

[1] Source: UCF Office of Institutional Knowledge Management.
[2] The increase from 2015-16 to 2016-17 is partly attributable to the change in the Florida State University System's calculation of full-time equivalency.

The federal government's Integrated Postsecondary Education Data System ("IPEDS") method defines one FTE as 30 credit hours over a 12-month period for undergraduate students and 24 credit hours over a 12-month period for graduate students.

Full-Time Equivalent Enrollment by Level [1]
(Using the IPEDS Method)

Academic Year	Undergraduate	Graduate[2]	Total
2012-13	45,565	6,169	51,734
2013-14	45,138	6,090	51,228
2014-15	45,796	5,938	51,734
2015-16	47,280	5,995	53,275
2016-17	48,602	6,173	54,775

[1] Source: UCF Office of Institutional Knowledge Management.
[2] Includes Medical.

The following table shows the official enrollment projections for the University of Central Florida for the current and next five years.

Projected Headcount and FTE Enrollment [1]

		Annual FTE				
Academic Year	**Fall Semester Headcount**	**Lower Level**	**Upper Level**	**Graduate**	**Medical**	**Total**
2017-18	65,400	17,610	31,870	5,970	480	55,930
2018-19	66,450	17,870	32,360	6,230	480	56,940
2019-20	67,680	18,170	32,890	6,410	480	57,950
2020-21	68,730	18,390	33,290	6,640	480	58,800
2021-22	n/a[2]	18,540	33,560	6,880	480	59,460

[1] Source: UCF Work Plan Report 2017.
[2] Estimated Fall 2021 headcount is not available at this time.

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 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Florida	55,887	55,855	56,586	58,198	59,086
New York	339	317	321	367	391
New Jersey	259	245	280	326	354
Pennsylvania	224	203	221	241	266
Georgia	199	201	225	241	268
Illinois	160	170	184	211	245
Ohio	148	128	135	153	173
Massachusetts	90	84	91	106	119
Michigan	90	101	114	130	126
All Other States	1,666	1,696	1,792	1,991	2,139
Foreign Students[2]	723	770	872	1,052	1,168
Total Enrollment	59,785	59,770	60,821	63,016	64,335

[1] Source: UCF Institutional Knowledge Management
[2] International students are tracked by citizenship and may have entered the University from a US state.

The following table shows Florida students by county of residency.

Total Enrollment by Florida County at Time of Admission [1]

County	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Brevard	5,072	4,870	4,644	4,382	4,054
Broward	4,434	4,428	4,638	4,988	5,304
Dade	1,911	1,940	2,081	2,246	2,404
Duval	1,222	1,248	1,334	1,355	1,408
Hillsborough	1,856	1,876	1,936	2,082	2,175
Lake	1,431	1,407	1,456	1,523	1,577
Lee	774	764	847	954	1,030
Marion	773	716	719	667	640
Orange	14,190	14,207	14,372	14,689	15,136
Osceola	2,146	2,237	2,310	2,491	2,585
Palm Beach	2,974	3,016	3,137	3,290	3,313
Pinellas	1,546	1,499	1,449	1,486	1,410
Polk	916	1,038	1,038	1,118	1,160
Sarasota	762	753	728	714	658
Seminole	6,249	6,306	6,291	6,354	6,188
Volusia	2,373	2,246	2,120	2,172	2,152
All Other Florida Counties	7,258	7,304	7,486	7,687	7,892
Total Florida	**55,887**	**55,855**	**56,586**	**58,198**	**59,086**

[1] Data reported from Office of Institutional Research.

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
2013	3.89	1248	27
2014	3.92	1256	27
2015	4.00	1261	28
2016	4.02	1262	28
2017	4.06	1316	28

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

Fall	Continuing	New	Total
2013	186	61	247
2014	196	79	275
2015	208	69	277
2016	212	77	289
2017	227	88	315

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The following table shows the degrees awarded to the students at the University of Central Florida.

Degrees Granted by Discipline

	Academic Years														
	2012-13			2013-14			2014-15			2015-16			2016-17		
Discipline	B	M	D	B	M	D	B	M	D	B	M	D	B	M	D
Architecture & Environmental Design	30	11	-	15	8	-	25	10	-	22	5	-	43	9	-
Area, Ethnic, Cultural, Gender, & Group Studies	2	-	-	6	-	-	4	-	-	3	-	-	4	-	-
Business Management & Administrative Services	2,904	445	6	2,905	495	5	2,766	337	6	2,780	369	9	2,689	392	15
Communications	555	32	-	590	27	-	530	26	-	614	26	-	565	27	-
Computer & Information Sciences	213	86	11	281	75	6	308	74	13	390	97	9	371	91	10
Education	932	485	60	1,091	530	81	919	520	77	1,056	429	81	1,050	477	89
Engineering	789	251	75	787	269	85	933	236	81	971	233	87	1,000	220	76
Engineering Technologies & Engineering Related Fields	-	1	-	-	44	-	-	18	-	-	57	-	-	30	-
Foreign Languages & Literature	55	5	-	39	7	-	33	2	-	32	9	-	27	5	-
Health Professions & Related Programs	1,683	325	50	1,817	336	95	1,999	343	140	2,108	330	151	2,266	329	151
History, General	173	11	-	154	12	-	155	12	-	123	10	-	140	4	-
Homeland Security, Law Enforcement, Firefighting & Related	544	86	-	497	96	-	478	85	-	473	71	-	504	78	-
Law & Legal Studies	329	-	-	247	-	-	301	-	-	246	-	-	281	-	-
Letters	272	27	3	262	33	2	280	42	7	283	31	7	294	37	6
Liberal/General Studies	89	-	-	64	-	-	80	-	-	70	-	-	59	-	-
Life Sciences	623	30	14	630	35	15	683	32	12	666	34	11	593	45	12
Mathematics	43	39	3	50	31	6	53	34	7	48	34	1	66	40	6
Multi/Interdisciplinary Studies	661	42	5	649	31	10	675	32	8	664	46	13	620	29	5
Parks & Recreation	-	33	-	-	30	-	-	24	-	-	38	-	-	32	-
Philosophy & Religion	40	-	-	26	-	-	30	-	-	25	-	-	37	-	-
Physical Sciences	45	25	26	54	18	20	52	13	38	47	29	30	62	24	18
Psychology	1,253	45	15	1,113	69	15	1,166	53	19	1,130	68	20	1,118	53	19
Public Administration & Services	180	191	4	205	278	8	212	236	12	188	196	12	219	180	12
Social Sciences	625	41	8	604	39	8	582	43	3	512	42	9	563	38	10
Visual & Performing Arts	485	98	-	507	99	-	552	79	-	550	88	-	639	78	-
Total (All)	12,525	2,309	280	12,593	2,562	356	12,816	2,251	423	13,001	2,242	440	13,210	2,218	429

Note: B= Baccalaureate Degree, M= Master's Degree, D= Doctoral Degree.

Faculty

The University has more than 2,400 faculty and more than 1,800 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 $163 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.

For the Fall 2016 semester, 2,486 faculty and adjuncts were engaged in teaching, research, and public service at the University. Of the full-time faculty, 42% are tenured, and 78% of the total hold doctoral degrees. During the Fall of 2016, the rank of professor was held by 19% of the faculty. Other faculty ranks included associate professor (21%), assistant professor (20%), and instructors/lecturers (26%).

Faculty Data [1]

Academic Year	Faculty FTE	% Tenured [2]	Percent with Doctoral Degrees	Student/Faculty Ratio
2013-14	1,557.5	47%	76%	31/1
2014-15	1,573.2	46%	77%	31/1
2015-16	1,884.9	44%	78%	30/1
2016-17	1,949.1	42%	78%	30/1
2017-18 [3]	1,996.1	39%	76%	30/1

[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.
[3] Academic Year 2017-18 data represents information as of Fall 2017

Staff Data

The University has employed the following personnel:

	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Teaching Faculty & Adjuncts	1,965	1,961	2,256	2,486	2,481
Executive, Administrative & Managerial	332	344	637	690	740
Other Professional	1,612	1,706	1,717	1,780	1,841
Support Personnel	1,504	1,531	1,000	1,016	1,022
Graduate Assistants	1,409	1,447	1,854	1,866	1,899
Post-Doctoral & Research Associates	145	123	134	223	388
OPS Hourly	4,111	3,962	4,044	4,325	4,362
University Total	11,078	11,074	11,642	12,386	12,733

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 31-member community based Board of Directors 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 is in the midst of a comprehensive campaign to raise $500 million. The campaign is expected to end in 2020 and to date the campaign has raised $350 million.

Endowed chairs are established under the terms of the Title XLVIII: K-20 Education Code, Chapter 101 Planning and Budgeting, section 1011.94 University Major Gifts Program. This act provides a match based off of giving amounts starting from $100,000. The matching percentages range from 50% to 100%. Chairs were initially funded at the $600,000 level which provided for a 70% match from the Florida Board of Governors. The University of Central Florida has the following fully-funded endowed chairs:

Fully Funded and Matched by the State

- Charles N. Millican Eminent Scholar Chair in Computer Science
- Agere Systems Eminent Scholar Chair of Computer Science
- William S. and Alice M. Jenkins Eminent Scholar Chair in Community Arts
- The Dr. Neil Euliano Endowed Chair in Italian Studies
- Al & Nancy Burnett Eminent Scholar Chair in Accounting
- Carl H. Galloway, Jr. Chair for Excellence in Business
- The SunTrust Bank, Central Florida, N.A. Eminent Scholar Chair of Banking
- Della Phillips Martha Schenck Chair of American Private Enterprise
- Richard T. Crotty Orange County Endowed Chair
- Howard Phillips Eminent Scholar Chair in Real Estate
- Lockheed Martin Eminent Scholar Chair of Science and Math
- Mildred W. Coyle Eminent Scholar Endowed Chair
- Robert N. Heintzelman Eminent Scholar Endowed Chair Fund
- Bert Fish Memorial Eminent Scholar Chair In Nursing Education
- The Darden Chair in Restaurant Management
- Orange County Convention and Visitors Bureau Endowed Chair
- Cobb Family Eminent Scholar Chair

Fully Funded by private donations

- 21st Century World Class Scholars Endowed Chair in CECS
- 21st Century World Class Scholars Endowed Chair in Optics and Photonics
- Jim Heistand NAIOP Eminent Scholar Endowed Chair in Real Estate
- The Chatlos Foundation Endowed Chair in Nursing
- Florida Hospital Endowed Chair in Healthcare Simulation
- Florida Hospital Foundation Endowed Chair in Cardiovascular Research

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[1]
2012-13	$263,770,330	$36,979,012	$45,860,719	$54,505,345	$33,759,133
2013-14	287,546,289	34,298,067	51,709,625	61,614,409	34,990,904
2014-15	289,988,145	32,596,165	31,170,354	43,885,505	39,741,747
2015-16	301,233,535	29,982,558	42,461,046	56,534,560	42,675,563
2016-17	320,594,673	27,319,993	56,177,859	72,533,154	50,509,451

[1] 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, have increased for the last six years as the campaign has progressed and the economic environment improved.

Gift Report
Current Receipts and Deferred Additions by Restriction and Giving Program
For the Twelve Month Period Ended June 30

Giving Program	2013	2014	2015	2016	2017
Total Unrestricted Gifts	$116,067	$160,172	$177,856	$492,017	$473,976
Total Restricted Gifts	16,485,767	12,193,415	19,192,716	29,198,409	29,509,400
Total Endowments	2,314,942	2,509,861	3,786,805	3,180,410	4,270,764
Total Gifts Received	$18,916,776	$14,863,448	$23,157,377	$32,870,836	$34,254,140

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UNIVERSITY OF CENTRAL FLORIDA

Finance & Accounting
12424 Research Parkway, Suite 300
Orlando, FL 32826-3249

APPENDIX I

January 24, 2018

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, 2017 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,

Christina Tant

Christina Tant
Assistant Vice President
University Controller

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2017, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2017, and June 30, 2016.

FINANCIAL HIGHLIGHTS

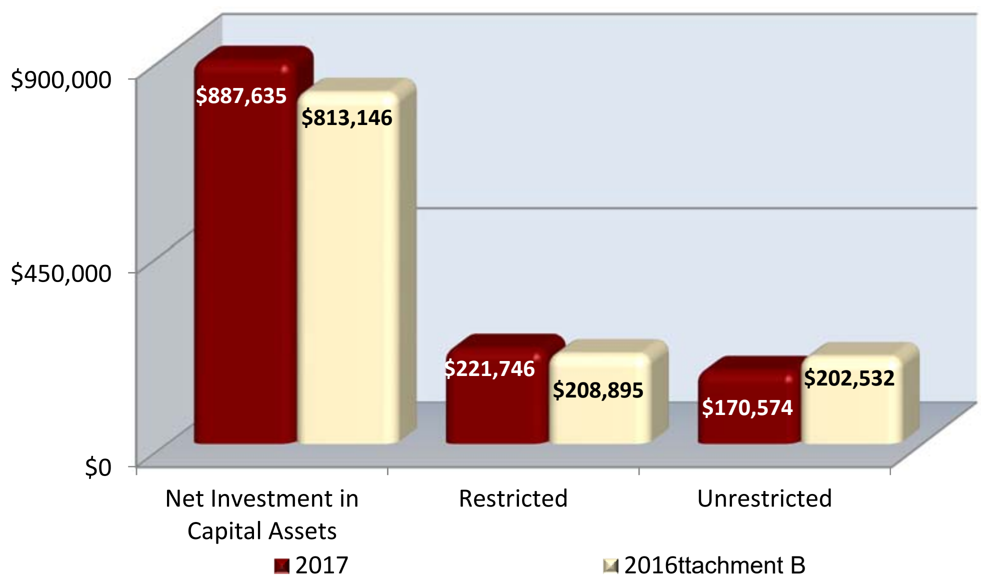
The University's assets and deferred outflows of resources totaled $1.9 billion at June 30, 2017. This balance reflects a $140.4 million, or 7.9 percent increase as compared to June 30, 2016, primarily from higher construction activity and pension related deferred outflows. Liabilities and deferred inflows of resources increased by $85.0 million, or 15.1 percent, at June 30, 2017, resulting primarily from increased net pension liabilities. As a result, the University's net position increased by $55.4 million, in a year-end balance of $1.3 billion.

The University's operating revenues totaled $523.0 million for the 2016-17 fiscal year, representing a 6.1 percent increase compared to the 2015-16 fiscal year, due mainly to increases in student tuition and fees and auxiliary revenues. Operating expenses totaled $1.0 billion for the 2016-17 fiscal year, representing an increase of 8.2 percent, due mainly to increases in compensation and employee benefits.

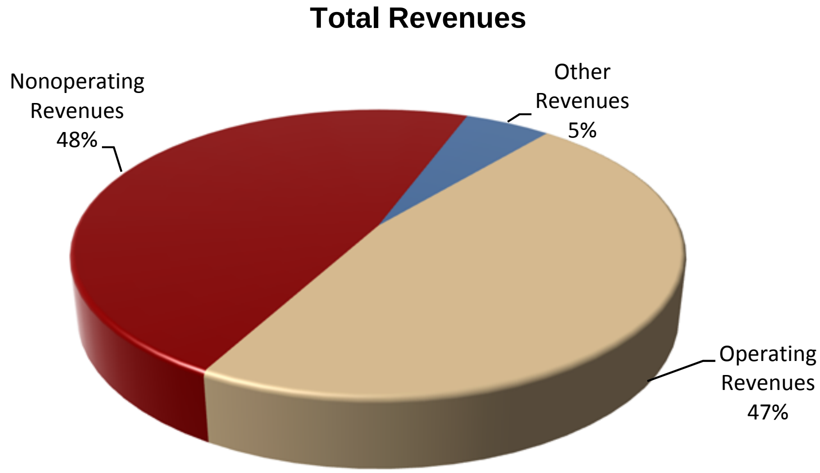
Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2017, and June 30, 2016, is shown in the following graph:

Net Position

(In Thousands)



The following chart provides a graphical presentation of University revenues by category for the 2016-17 fiscal year:



Overview of Financial Statements

Pursuant to GASB Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; 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
  - UCF Finance Corporation
  - University of Central Florida College of Medicine Self-Insurance Program
- Discretely Presented Component Units
  - University of Central Florida Foundation, Inc.
  - University of Central Florida Research Foundation, Inc.
  - UCF Athletics Association, Inc.
  - UCF Convocation Corporation
  - UCF Stadium Corporation
  - Central Florida Clinical Practice Organization, Inc.

Information regarding these component units, including summaries of the blended and discretely presented component units' 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. For those component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

Condensed Statement of Net Position at June 30

(In Thousands)

	2017	2016
Assets		
Current Assets	$ 602,302	$ 565,179
Capital Assets, Net	1,058,909	994,928
Other Noncurrent Assets	144,896	151,147
Total Assets	1,806,107	1,711,254
Deferred Outflows of Resources	121,206	75,681
Liabilities		
Current Liabilities	111,498	99,076
Noncurrent Liabilities	534,411	445,039
Total Liabilities	645,909	544,115
Deferred Inflows of Resources	1,449	18,247
Net Position		
Net Investment in Capital Assets	887,635	813,146
Restricted	221,746	208,895
Unrestricted	170,574	202,532
Total Net Position	$ 1,279,955	$ 1,224,573

Total assets as of June 30, 2017, increased by $94.9 million or 5.5 percent. This increase is primarily due to higher capital related activity including construction in process, current receivables for state capital appropriations, and capital donations of assets. Major projects underway include the construction of an interdisciplinary research and incubator facility, the development of a downtown campus, and renovations and modernization of the library. Total liabilities as of June 30, 2017, increased by $101.8 million, or 18.7 percent, and was primarily due to increases in liabilities recorded for the University's proportionate share of pension and other postemployment benefit payable.

Deferred outflows of resources increased by $45.5 million, or 60.2 percent. Deferred inflows of resources decreased by $16.8 million, or 92.1 percent. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, annual net differences between projected and actual earnings on pension plan investments are deferred and recognized as a component of pension expense on a straight-line basis over a five year period. As of June 30, 2016, cumulative net differences for FRS Pension Plan investments were deferred inflows of $16.6 million. As of June 30, 2017, these cumulative net differences are now deferred outflows of $36.5 million.

The Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position 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 2016-17 and 2015-16 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years

(In Thousands)

	2016-17	2015-16
Operating Revenues	$ 523,006	$ 492,824
Less, Operating Expenses	1,013,825	937,279
Operating Loss	(490,819)	(444,455)
Net Nonoperating Revenues	485,568	444,468
Income (Loss) Before Other Revenues	(5,251)	13
Other Revenues	60,633	157,861
Net Increase In Net Position	55,382	157,874
Net Position, Beginning of Year	1,224,573	1,066,699
Net Position, End of Year	$ 1,279,955	$ 1,224,573

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 gives or receives something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2016-17 and 2015-16 fiscal years:

Operating Revenues
For the Fiscal Years

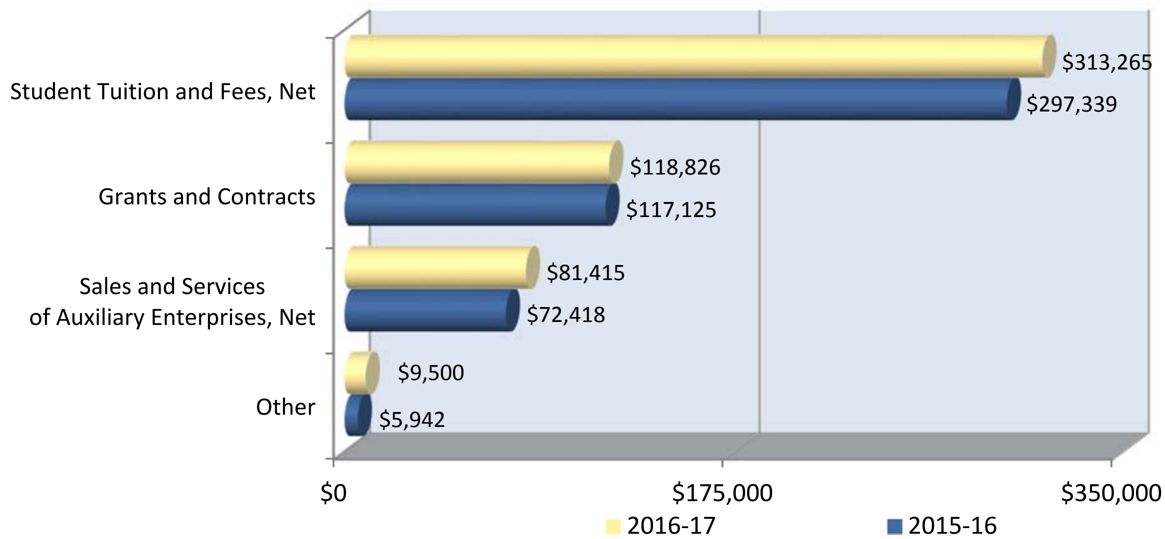
(In Thousands)

	2016-17	2015-16
Student Tuition and Fees, Net	$ 313,265	$ 297,339
Grants and Contracts	118,826	117,125
Sales and Services of Auxiliary Enterprises, Net	81,415	72,418
Other	9,500	5,942
Total Operating Revenues	$ 523,006	$ 492,824

The following chart presents the University's operating revenues for the 2016-17 and 2015-16 fiscal years:

Operating Revenues

(In Thousands)



Total operating revenues increased by $30.2 million, or 6.1 percent. Net student tuition and fees increased by $15.9 million, or 5.4 percent, and was primarily due to an increase in student credit hours and non-resident students. Sales and Services of Auxiliary Enterprises increased by $9 million, or 12.4 percent, and was primarily due to higher revenues from the College of Medicine residency program.

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 position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2016-17 and 2015-16 fiscal years:

Operating Expenses
For the Fiscal Years

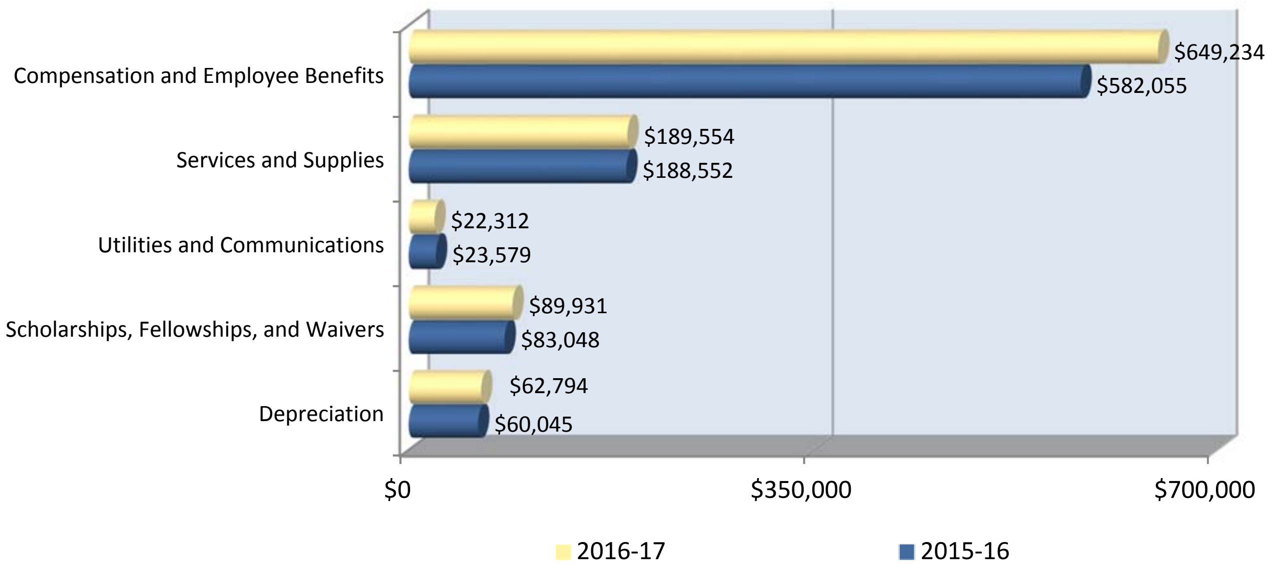
(In Thousands)

	2016-17	2015-16
Compensation and Employee Benefits	$ 649,234	$ 582,055
Services and Supplies	189,554	188,552
Utilities and Communications	22,312	23,579
Scholarships, Fellowships, and Waivers	89,931	83,048
Depreciation	62,794	60,045
Total Operating Expenses	$ 1,013,825	$ 937,279

The following chart presents the University's operating expenses for the 2016-17 and 2015-16 fiscal years:

Operating Expenses

(In Thousands)



Operating expenses increased $76.5 million or 8.2 percent over the 2015-16 fiscal year. Compensation increased by $39.1 million, resulting from investments in the university faculty hiring plan and annual salary increases. Associated retirement and healthcare expenses increased by $27.9 million including an increase of $18.7 million in expenses associated with actuarially determined net pension liabilities.

Nonoperating Revenues and Expenses

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, 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 2016-17 and 2015-16 fiscal years:

Nonoperating Revenues (Expenses)
For the Fiscal Years

(In Thousands)

	2016-17	2015-16
State Noncapital Appropriations	$ 360,532	$ 314,820
Federal and State Student Financial Aid	140,560	139,245
Investment Income	12,998	14,379
Other Nonoperating Revenues	17,694	12,728
Loss on Disposal of Capital Assets	(502)	(590)
Interest on Capital Asset-Related Debt	(8,014)	(8,385)
Other Nonoperating Expenses	(37,700)	(27,729)
Net Nonoperating Revenues	$ 485,568	$ 444,468

Net nonoperating revenues increased by $41.1 million, or 9.3 percent, primarily due to an increase in State noncapital appropriations of $45.7 million. The University received $21.2 million in additional State performance-based and emerging preeminence funding, as well as, $18.0 million in additional funding for specific legislative priorities. Other nonoperating expenses increased $10.0 million due to the distribution of pass-through funding for some of these specific legislative appropriations.

Other Revenues

Other Revenue is composed of State capital appropriations and capital transfers, grants, contracts, donations, and fees. The following summarizes the University's other revenues, expenses, gains, or losses for the 2016-17 and 2015-16 fiscal years:

Other Revenues
For the Fiscal Years

(In Thousands)

	2016-17	2015-16
State Capital Appropriations	$ 45,552	$ 28,442
Capital Transfers In	-	128,699
Capital Grants, Contracts, Donations, and Fees	15,081	720
Total	$ 60,633	$ 157,861

Other revenues decreased $97.2 million, or 61.6 percent, primarily due to the one-time capital transfer of the convocation center and the stadium assets from the UCF Convocation Corporation and the UCF Stadium Corporation to the University in the 2015-16 fiscal year. The increase in State capital appropriations of $17.1 million was primarily due to appropriations for an academic building for the downtown campus (UCF Downtown). The increase in capital grants, contracts, donations, and fees of $14.4 million was primarily due to the donation of land and a building from the City of Orlando for UCF Downtown.

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 2016-17 and 2015-16 fiscal years:

Condensed Statement of Cash Flows
For the Fiscal Years

(In Thousands)

	2016-17	2015-16
Cash Provided (Used) by:		
Operating Activities	$ (389,998)	$ (366,605)
Noncapital Financing Activities	483,367	452,563
Capital and Related Financing Activities	(106,644)	(84,167)
Investing Activities	(16,020)	(3,263)
Net Decrease in Cash and Cash Equivalents	(29,295)	(1,472)
Cash and Cash Equivalents, Beginning of Year	48,318	49,790
Cash and Cash Equivalents, End of Year	$ 19,023	$ 48,318

Cash and cash equivalents decreased $29.3 million. Cash used by operating activities increased by $23.4 million compared to fiscal year 2015-16 due primarily to a $53.3 million increase in cash payments to and on behalf of employees for compensation and benefits, offset by a $16.6 million increase in cash received from tuition and fees and a $12.0 million increase in cash received from contracts and grants. Cash inflows from noncapital financing activities increased by $30.8 million primarily due to an increase in cash received from State appropriations net of pass-through disbursements. Cash used by capital and related financing activities increased by $22.5 million primarily due to the purchase or construction of capital assets. Cash used by investing activities increased by $12.8 million primarily due to an increase in the purchase of investment instruments with longer term maturities from proceeds received from liquidations of money-market investments previously classified as cash equivalents.

Major sources of funds came from State noncapital appropriations ($360.5 million), net student tuition and fees ($311.7 million), Federal and State student Financial Aid ($140.5 million), grants and contracts ($122.2 million), and net sales and services of auxiliary enterprises ($82.1 million). Major uses of funds were for payments made to and on behalf of employees ($609.7 million), payments to suppliers ($214.8 million), payments related to the purchase or construction of capital assets ($104.5 million), and payments to students for scholarships and fellowships ($89.9 million).

Capital Assets

At June 30, 2017, the University had $1.8 billion in capital assets, less accumulated depreciation of $776 million, for net capital assets of $1.1 billion. Depreciation charges for the current fiscal year totaled $62.8 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30

(In Thousands)

	2017	2016
Land	$ 36,159	$ 28,133
Construction in Progress	81,061	37,684
Buildings	838,249	832,494
Infrastructure and Other Improvements	31,994	29,839
Furniture and Equipment	40,482	40,694
Library Resources	24,155	22,701
Leasehold Improvements	6,088	2,567
Works of Art and Historical Treasures	721	816
Capital Assets, Net	$ 1,058,909	$ 994,928

Additional information about the University's capital assets is presented in the notes to the financial statements.

Capital Expenses and Commitments

Major capital expenses through June 30, 2017, were incurred on the Interdisciplinary Research and Incubator Facility and the John C. Hitt Library renovations, both projects currently in progress. The University's major construction commitments at June 30, 2017, are as follows:

	Amount (In Thousands)
Total Committed	$ 147,012
Completed to Date	(81,061)
Balance Committed	$ 65,951

Additional information about the University's construction commitments is presented in the notes to financial statements.

Debt Administration

As of June 30, 2017, the University had $177.0 million in outstanding capital improvement debt payable and bonds payable, representing a decrease of $9.7 million, or 5 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 at June 30

(In Thousands)

	2017	2016
Capital Improvement Debt	$ 125,664	$ 133,954
Bonds Payable	51,315	52,730
Total	$ 176,979	$ 186,684

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 University's economic condition is closely tied to that of the State of Florida. Economic recovery and increased demand for State resources will continue to influence appropriations to higher education. The University manages these influences through the continual efficient and strategic use of resources and entrepreneurial efforts by academic, administrative, and auxiliary departments. The budget adopted by the Florida Legislature for the 2017-18 fiscal year provided a 4 percent increase to state universities, including $20 million in new recurring performance based funding, plus $120.6 million specifically aimed at meeting the state's performance goals. The University received a total of $12.1 million of this new funding.

The Florida Legislature also provided $52 million in new funding for institutions that meet emerging pre-eminence and pre-eminence metrics aimed to advance the state's national reputation for higher education. The University of Central Florida qualified for emerging pre-eminence status and received $8.7 million of this funding, which will be invested in initiatives to enhance the University's reputation as a global research institution and advance toward pre-eminence status.

In addition to state funding, the University relies on other revenue streams to maintain the open access to and high quality of its academic programs. The 2016-17 fiscal year net tuition and fee revenue increased 5.4 percent primarily due to an increase in student credit hours and non-resident enrollment. Overall, enrollment increased 2.1 percent with a student count of approximately 64,335. The University continues to invest in recruitment, retention, and academic advising initiatives to manage enrollment and support students' success.

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 Christina Tant, CPA, Assistant Vice President and University 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 Position

June 30, 2017

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 8,053,996	$ 20,109,451
Restricted Cash and Cash Equivalents	4,137,826	21,343,392
Investments	434,336,586	-
Accounts Receivable, Net	58,727,347	18,420,677
Loans and Notes Receivable, Net	1,334,658	-
Due from State	88,223,201	-
Due from Component Units	1,401,983	623,187
Due from University	-	20,750,547
Inventories	2,321,126	24,739
Other Current Assets	3,764,993	1,540,530
Total Current Assets	602,301,716	82,812,523
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	6,830,713	2,525,222
Restricted Investments	123,230,100	194,462,917
Loans and Notes Receivable, Net	5,706,213	13,296,386
Depreciable Capital Assets, Net	941,471,557	117,643,225
Nondepreciable Capital Assets	117,437,297	56,352,563
Due from Component Units	6,208,392	-
Other Noncurrent Assets	2,921,064	2,683,216
Total Noncurrent Assets	1,203,805,336	386,963,529
Total Assets	1,806,107,052	469,776,052
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts Related to Pensions	108,655,536	-
Accumulated Decrease in Fair Value of Hedging Derivatives	12,550,585	-
Deferred Loss on Debt Refunding	-	666,328
Total Deferred Outflows of Resources	121,206,121	666,328
LIABILITIES		
Current Liabilities:		
Accounts Payable	13,468,034	9,039,657
Construction Contracts Payable	14,469,712	-
Salary and Wages Payable	23,186,940	-
Deposits Payable	10,828,478	-
Due to Component Units	20,750,547	623,187
Due to University	-	1,401,983
Unearned Revenue	12,265,843	14,310,614
Other Current Liabilities	893,048	1,755,559
Long-Term Liabilities - Current Portion:		
Capital Improvement Debt Payable	8,520,000	-
Bonds Payable	1,490,000	4,755,000
Loans and Notes Payable	-	4,092,790
Certificates of Participation Payable	-	4,205,000
Compensated Absences Payable	3,830,782	94,422
Net Pension Liability	1,794,594	-
Total Current Liabilities	111,497,978	40,278,212

University of Central Florida
A Component Unit of the State of Florida
Statement of Net Position (Continued)

June 30, 2017

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Capital Improvement Debt Payable	117,144,116	-
Bonds Payable	49,825,000	123,875,844
Loans and Notes Payable	-	25,524,558
Certificates of Participation Payable	-	104,395,000
Compensated Absences Payable	50,894,673	523,536
Other Postemployment Benefits Payable	98,724,000	-
Net Pension Liability	197,808,859	-
Unearned Revenues	-	27,140
Due to University	-	6,208,392
Interest Rate Swap	12,550,585	-
Other Noncurrent Liabilities	7,464,053	39,000
Total Noncurrent Liabilities	534,411,286	260,593,470
Total Liabilities	645,909,264	300,871,682
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts Related to Pensions	1,448,860	-
Deferred Gain on Debt Refunding	-	184,564
Total Deferred Inflows of Resources	1,448,860	184,564
NET POSITION		
Net Investment in Capital Assets	887,634,922	(89,903,771)
Restricted for Nonexpendable:		
Endowment	-	130,431,162
Restricted for Expendable:		
Debt Service	1,430,853	-
Loans	3,754,616	-
Capital Projects	199,658,798	2,688,617
Other	16,901,311	99,998,312
Unrestricted	170,574,549	26,171,814
TOTAL NET POSITION	$ 1,279,955,049	$ 169,386,134

The accompanying notes to financial statements are an integral part of this statement.

University of Central Florida
A Component Unit of the State of Florida
Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2017

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $138,839,435 (Pledged for Capital Improvement Debt: $17,115,631 for Student Health and $14,368,295 for Parking)	$ 313,265,162	$ -
Federal Grants and Contracts	90,185,816	-
State and Local Grants and Contracts	7,876,058	-
Nongovernmental Grants and Contracts	20,763,543	-
Sales and Services of Auxiliary Enterprises, Net (Pledged for Capital Improvement Debt: $30,229,053 for Housing and $6,138,257 for Parking)	81,415,364	-
Gifts and Donations	-	29,983,376
Interest on Loans and Notes Receivable	84,703	-
Other Operating Revenues: Pledged for Capital Improvement Debt: $419,788 for Housing and $1,100,126 for Parking)	9,415,135	128,416,216
Total Operating Revenues	523,005,781	158,399,592
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	649,234,021	17,677,768
Services and Supplies	189,553,773	106,993,070
Utilities and Communications	22,312,241	-
Scholarships, Fellowships, and Waivers	89,930,504	-
Depreciation	62,794,334	6,019,250
Total Operating Expenses	1,013,824,873	130,690,088
Operating Income (Loss)	(490,819,092)	27,709,504
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	360,532,088	-
Federal and State Student Financial Aid	140,559,664	-
Investment Income	12,998,144	175,020
Other Nonoperating Revenues	17,694,180	13,594,841
Loss on Disposal of Capital Assets	(502,394)	(42,414)
Interest on Capital Asset-Related Debt	(8,013,730)	(9,117,878)
Other Nonoperating Expenses	(37,699,563)	(4,755,128)
Net Nonoperating Revenues (Expenses)	485,568,389	(145,559)
Income (Loss) Before Other Revenues	(5,250,703)	27,563,945
State Capital Appropriations	45,551,883	-
Capital Grants, Contracts, Donations, and Fees	15,081,297	-
Additions to Permanent Endowments	-	4,270,764
Increase in Net Position	55,382,477	31,834,709
Net Position, Beginning of Year	1,224,572,572	137,551,425
Net Position, End of Year	$ 1,279,955,049	$ 169,386,134

The accompanying notes to financial statements are an integral part of this statement.

University of Central Florida
A Component Unit of the State of Florida
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2017

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	$ 311,700,087
Grants and Contracts	122,196,848
Sales and Services of Auxiliary Enterprises, Net	82,074,892
Interest on Loans and Notes Receivable	84,103
Payments to Employees	(609,663,886)
Payments to Suppliers for Goods and Services	(214,816,579)
Payments to Students for Scholarships and Fellowships	(89,930,504)
Loans Issued to Students	(1,230,822)
Collection on Loans to Students	959,805
Other Operating Receipts	8,628,020
Net Cash Used by Operating Activities	(389,998,036)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	360,532,088
Federal and State Student Financial Aid	140,456,635
Federal Direct Loan Program Receipts	252,415,853
Federal Direct Loan Program Disbursements	(252,415,853)
Net Change in Funds Held for Others	6,340,842
Other Nonoperating Disbursements	(23,962,573)
Net Cash Provided by Noncapital Financing Activities	483,366,992
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	12,197,848
Capital Grants, Contracts, Donations and Fees	(2,937)
Other Receipts for Capital Projects	3,583,888
Purchase or Construction of Capital Assets	(104,483,884)
Principal Paid on Capital Debt and Leases	(9,798,608)
Interest Paid on Capital Debt and Leases	(8,140,215)
Net Cash Used by Capital and Related Financing Activities	(106,643,908)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	886,493,295
Purchases of Investments	(913,083,199)
Investment Income	10,569,284
Net Cash Used by Investing Activities	(16,020,620)
Net Decrease in Cash and Cash Equivalents	(29,295,572)
Cash and Cash Equivalents, Beginning of Year	48,318,107
Cash and Cash Equivalents, End of Year	$ 19,022,535

University of Central Florida
A Component Unit of the State of Florida
Statement of Cash Flows (Continued)

For the Fiscal Year Ended June 30, 2017

		University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$	(490,819,092)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense		62,794,334
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:		
Receivables, Net		2,409,411
Inventories		264,431
Other Assets		203,364
Accounts Payable		(3,463,525)
Salaries and Wages Payable		3,184,912
Deposits Payable		(69,308)
Compensated Absences Payable		2,676,836
Unearned Revenue		(887,788)
Other Postemployment Benefits Payable		19,389,000
Net Pension Liability		82,194,519
Deferred Outflows of Resources Related to Pensions		(51,077,397)
Deferred Inflows of Resources Related to Pensions		(16,797,733)
NET CASH USED BY OPERATING ACTIVITIES	$	(389,998,036)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES		
Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$	2,215,957
Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$	(502,394)
A donation of capital assets was recognized on the statement of revenues, expenses, and changes in net position, but is not a cash transaction for the statement of cash flows.	$	15,000,000

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 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, and selecting 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) *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. 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 Units. Based on the application of the criteria for determining component units, the UCF Finance Corporation (Corporation) and the University of Central Florida College of Medicine Self-Insurance Program (Program) are included within the University's reporting entity as blended component units, and are therefore reported as if they are part of the University. The Corporation's purpose is to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. The Program's purpose is to provide comprehensive general liability and professional liability coverage for the University's Trustees and students for claims and actions arising from clinical activities of the College of Medicine, College of Nursing, UCF Health Services, College of Health and Public Affairs, and the Central Florida Clinical Practice Organization, Inc., faculty, staff, and resident physicians. Condensed financial statements for the University's blended component units are shown in a subsequent note. The condensed financial statements are reported net of eliminations.

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) and the Central Florida Clinical Practice Organization, Inc. (an affiliated organization), are included within the University reporting entity as discretely presented component units. These legally separate, not-for-profit, corporations are organized and operated to assist the University to achieve excellence by providing supplemental resources from private gifts and bequests, and valuable education support services and are governed by separate boards. 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 explained as follows:

- 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.
- 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.
- UCF Athletics Association, Inc. was organized to promote intercollegiate athletics to benefit the University and surrounding communities.
- 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.
- UCF Stadium Corporation was created to finance, build, and administer an on-campus football stadium.
- Central Florida Clinical Practice Organization, Inc. is an affiliated organization component unit of the University and was formed for the purpose of supporting the medical education program and clinical faculty within the College of Medicine.
- Limbitless Solutions, Inc. is a not-for-profit Florida Corporation whose purpose is to develop affordable open source 3D printed bionic solutions for individuals with disabilities, increase accessibility with art infused bionics, and to promote access and engagement in STEM/STEAM education. Financial activities of this component unit are not included in the University's financial statements as the total assets related to this component unit represent less than one percent of the total aggregate component units' assets.

An annual audit of each organization's financial statements, included in the University'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 Assistant Vice President and University Controller. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

<u>Basis of Presentation</u>. The University's accounting policies conform with accounting principles generally accepted in the United States of America 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 Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements
- Other Required Supplementary Information

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's discretely presented component units use the economic resources measurement focus and 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.

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 of capital assets. Nonoperating revenues include State noncapital 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 position 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 first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the 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. Cash and cash equivalents consist of cash on hand and cash in demand accounts, money market funds, and investments with original maturities of three months or less. University 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 $7,514,612 in money market funds and short-term investments. The money market funds and investments are permissible under the current investment policy; the primary portion of these investments are held in Rule 2a-7 mutual funds and securities rated AAA (or its equivalent) by a nationally recognized statistical rating organization. The Corporation, a blended component unit, holds $4,011,650 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 to purchase or construct capital or other restricted assets, are classified as restricted.

Cash and Cash Equivalents – Discretely Presented Component Units. Cash and cash equivalents for the University's discretely presented component units are reported as follows:

Component Unit	Cash in Bank	Money Market Funds	Total
University of Central Florida Foundation, Inc.	$ 11,829,786	$ 11,037,190	$ 22,866,976
University of Central Florida Research Foundation, Inc.	377,357	-	377,357
UCF Athletics Association, Inc.	2,195,284	-	2,195,284
UCF Convocation Corporation	516,369	11,985,162	12,501,531
UCF Stadium Corporation	-	846,262	846,262
Central Florida Clinical Practice Organization, Inc.	5,190,655	-	5,190,655
Total Component Units	$ 20,109,451	$ 23,868,614	$ 43,978,065

The University holds certain cash balances for various discretely presented component units. Cash amounts held for University of Central Florida Research Foundation, Inc., UCF Convocation Corporation, and UCF Stadium Corporation were $11,366,645, $7,102,214, and $1,914,334, respectively.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the component unit will not be able to recover deposits.

- **University of Central Florida Foundation, Inc.** – Cash deposits consist of non-interest-bearing demand deposits, money market, and cash deposits swept on an overnight basis from operating bank accounts into interest-bearing money market accounts with maturity dates of less than 90 days. At June 30, 2017, approximately $10,466,266 in cash deposits were not insured by Federal deposit insurance and were not collateralized.
- **UCF Athletics Association, Inc.** – The Association does not have a deposit policy for custodial credit risk, although all demand deposits with banks are insured up to the FDIC limits. As of June 30, 2017, $1,671,824 million of the Association's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.
- **UCF Convocation Corporation** – At June 30, 2017, the Convocation Corporation held $11,985,162 in a government money market fund. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name.
- **UCF Stadium Corporation** – At June 30, 2017, the Stadium Corporation held $846,262 in a government money market fund. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name.
- **Central Florida Clinical Practice Organization, Inc.** – At June 30, 2017, The Central Florida Clinical Practice Organization, Inc. had deposits in banking institutions. A portion of the deposits, totaling $5,088,995, were in excess of the Federal deposit insurance limit as of June 30, 2017.

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 computer software and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition 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 $4 million for intangible assets, which includes computer software, $5,000 for tangible personal property, and $250 for library resources. New buildings and improvements have a $100,000 capitalization threshold. 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 lessor of the remaining lease term, or the estimated useful life of the improvement
- Works of Art and Historical Treasures – 5 to 15 years
- Computer Software – 5 to 10 years

Noncurrent Liabilities. Noncurrent liabilities include capital improvement debt payable, bonds payable, compensated absences payable, other postemployment benefits payable, net pension liabilities, interest rate swap, 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. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

2. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), 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 Board of Trustees has adopted a written investment policy and manual providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; 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; and other investments approved by the 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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the University's recurring fair value measurements as of June 30, 2017 are valued using quoted market prices (Level 1 inputs), with the exception of corporate, municipal and other bonds, certain federal agency obligations and certificates of deposits which are valued using matrix pricing models which may consider quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable (Level 2 inputs) and investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

The University's investments at June 30, 2017, are reported as follows:

Investments by fair value level	Amount	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	$ 294,917,170	$ -	$ -	$ 294,917,170
SBA Debt Service Accounts	1,413,993	1,413,993	-	-
Certificates of Deposit	711,921	-	711,921	-
United States Government				
and Federally-Guaranteed Obligations	36,914,032	36,914,032	-	-
Federal Agency Obligations	31,144,109	905,591	30,238,518	-
Bonds and Notes	97,335,931	-	97,335,931	-
Mutual Funds				
Equities	83,158,641	83,158,641	-	-
Bonds	11,970,889	11,970,889	-	-
Total investments by fair value level	$ 557,566,686	$ 134,363,146	$ 128,286,370	$ 294,917,170

Investments held by the University's component units at June 30, 2017, are reported as follows:

Investments by fair value level	University of Central Florida Foundation Inc.	University of Central Florida Research Foundation Inc.	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity- Domestic	$ 10,180,855	$ 590,118	$ 10,770,973	$ 10,658,341	$ 112,632	$ -
Equity- International	29,906,377	-	29,906,377	29,906,377	-	-
Domestic Fixed Income	41,133,978	-	41,133,978	41,133,978	-	-
Global All Assets	15,194,385	-	15,194,385	15,194,385	-	-
Real Assets	4,062,795	-	4,062,795	462,795	-	3,600,000
Total investments by fair value level	$ 100,478,390	$ 590,118	$ 101,068,508	$ 97,355,876	$ 112,632	$ 3,600,000
Investments measured at the net asset value (NAV)				**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Equity- Domestic	6,473,885	-	6,473,885	-		
Equity- International	35,242,431	-	35,242,431	-		
Global All Assets	7,930,743	-	7,930,743	-		
International Fixed Income	14,535,924	-	14,535,924	-	Monthly	30 Days
Private Equity Funds	3,206,582	-	3,206,582	7,594,103		
Private Debt Funds	1,179,010	-	1,179,010	-		
Hedge Funds:						
Credit	5,195,880	-	5,195,880	-	Quarterly	65-90 Days
Event driven	6,719,329	-	6,719,329	-	Monthly/Quarterly	60-90 Days
Global macro	5,003,194	-	5,003,194	-	Monthly	3-62 Days
Long short	2,016,616	-	2,016,616	-	Quarterly	35-45 Days
Long short credit	2,107,005	-	2,107,005	-	Monthly	30 Days
Equity linked	3,783,810	-	3,783,810	-	Monthly/Quarterly	30-90 Days
Total investments measured at NAV	93,394,409	-	93,394,409			
Total investments	$ 193,872,799	$ 590,118	$ 194,462,917			

All of the University's component units' recurring fair value measurements as of June 30, 2017 are valued using quoted market prices (Level 1 inputs), with the exception of equity investments valued quarterly by respective fund managers (Level 2 inputs) and real assets valued based on an appraisal utilizing recent sale and property comparisons of like assets (Level 3 inputs).

Net Asset Value

GASB Standards Statement No. 72, *Fair Value Measurement and Application*, permits the fair value of certain equity and debt investments that do not have readily determinable fair values to be based on their net asset value (NAV) per share. The investments held at net asset value reflect:

Domestic Equity and International Equity: These funds are operated by money managers and can be actively managed or passively managed to an index. These funds are privately placed, and the fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair values of both funds are provided by the money managers which use a quoted price in active markets for the underlying assets.

Global All Assets: The fund invests in a global strategy including domestic, international, and global companies and is privately placed, and the fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair value of this fund is provided by the money manager which uses a quoted price in active markets for the underlying assets.

International Fixed Income: Two of the funds invest in fixed income bonds ranging in credit ratings focused on domestic and international investments. One fund utilizes a focus on credit driven strategies for the underlying investments and can contain both domestic and international investments in the portfolio. These funds are privately placed, and the fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair values of the three funds are provided by the money managers which use a quoted price in active markets for the underlying assets.

Private Equity and Private Debt Funds: Private equity and private debt includes distinct limited partnerships or limited liability companies. The investments can never be redeemed with these funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets or notes of the fund. Private equity and private debt are not traded on a public, primary exchange. Private equity can include equity rights to private companies, capital lent to companies, or other privately held securities. Private equity commitments are not drawn immediately, therefore the capital deployed at any one time is likely less than the total contractual commitment. Private debt funds aim to take advantage of structural imbalances between demand and supply of credit for consumers, small and medium enterprises, and trade finance consisting of private notes and bonds with equity components. In this portfolio, private equity capital and private debt are invested with general partners of a legally formed limited partnership, whereby several investors pool their capital as limited partners. The fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

Credit and Long Short Credit Hedge Funds: The credit linked class of hedge funds seeks to profit from the mispricing of related debt securities. Returns are not generally dependent on the general direction of market movements. This strategy utilizes quantitative and qualitative analysis to identify securities or spreads between securities that deviate from their fair value and/or historical norms. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Event Driven Hedge Funds: The event driven hedge funds class includes investments in hedge funds that invest across the capital structure in equity and debt securities. Managers invest in situations with the expectation that a near term event will act as a catalyst changing the market's perception of a company, thereby increasing or decreasing the value of its equity or debt. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Global Macro Hedge Funds: The global macro hedge fund class includes hedge funds that trade highly liquid instruments, long and short, including currencies, commodities, fixed income instruments and equity indices. Two types of strategies are employed in this portfolio: discretionary strategies that employ broad analysis of economic, financial and political data to identify themes, and systematic strategies that use algorithmic models to analyze historical data, both technical and fundamental. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Long/Short Hedge Funds: The equity long\short hedge fund class includes investments in hedge funds that invest both long and short stocks and equity indices. Management of the hedge funds has the ability to shift investments across a variety of stocks, equity indices, and to a lesser extent other securities from a net long position to a net short position. In this portfolio, the managers are focused primarily on the United States, Europe and Asia. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Equity Linked Hedge Funds: The equity linked class of hedge funds includes investments in debt instruments and options on equities. The equities options provide investors with principle protection while providing exposure to equities. Returns are dependent on performance of the equities options. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

External Investment Pools

The University reported investments at fair value totaling $294,917,170 at June 30, 2017, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of A+f by Standard & Poor’s, had an effective duration of 2.80 years and fair value factor of 0.9923 at June 30, 2017. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool’s total fair value by the pool participant’s total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant’s pool balance. 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 totaling $1,413,993 at June 30, 2017, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State

Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of 6 months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk and 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, 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, bond mutual funds, and debt related hedge funds, and their future maturities at June 30, 2017, are as follows:

University Debt Investments Maturities

		Investments Maturities (In Years)		
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**More Than 5**
U.S. Government and Federally-Guaranteed Obligations	$ 36,914,032	$ 12,909,862	$ 21,535,912	$ 2,468,258
Federal Agency Obligations	31,144,109	1,050,298	10,672,601	19,421,210
Bonds and Notes	97,335,931	13,769,693	65,119,328	18,446,910
Mutual Funds - Bonds	11,970,889	755,924	6,012,031	5,202,934
Total University	$ 177,364,961	$ 28,485,777	$ 103,339,872	$ 45,539,312

Component Units' Debt Investments Maturities

		Investments Maturities (In Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**More Than 5**	**Duration Not Available**
Domestic Fixed Income	$ 41,133,978	$ 1,617,541	$ 34,112,401	$ 5,404,036	$ -
International Fixed Income	14,535,924	-	14,535,924	-	-
Global All Assets	23,125,128	-	7,884,209	7,930,743	7,310,176
Private Debt	1,179,010	-	1,075,588	-	103,422
Hedge Funds	7,302,885	-	-	2,107,005	5,195,880
Total Component Units	$ 87,276,925	$ 1,617,541	$ 57,608,122	$ 15,441,784	$ 12,609,478

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, 2017, of the University's and its component units' debt instruments using Moody's and Standard and Poor's, nationally recognized rating agencies:

University Debt Investments Quality Ratings

Investment Type	Fair Value	AAA	AA	A	Less Than A or Not Rated
Federal Agency Obligations	$ 31,144,109	$ 31,144,109	$ -	$ -	$ -
Bonds and Notes	97,335,931	36,465,045	15,116,433	43,751,142	2,003,311
Mutual Funds - Bonds	11,970,889	-	1,638,312	372,745	9,959,832
Total University	$ 140,450,929	$ 67,609,154	$ 16,754,745	$ 44,123,887	$ 11,963,143

Component Units' Debt Investments Quality Ratings

Investment Type	Fair Value	AAA	AA	A	Less Than A or Not Rated
Domestic Fixed Income	$ 41,133,978	$ 5,215,487	$ 203,849	$ 4,407,534	$ 31,307,108
International Fixed Income	14,535,924	-	-	4,636,175	9,899,749
Global All Assets	23,125,128	-	-	7,884,209	15,240,919
Private Debt	1,179,010	-	-	-	1,179,010
Hedge Funds	7,302,885	-	-	-	7,302,885
Total Component Units	$ 87,276,925	$ 5,215,487	$ 203,849	$ 16,927,918	$ 64,929,671

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's or its component units' 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 investment 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. Guidelines for individual sectors of the portfolio further indicate percentage limitations.

3. Receivables

Accounts Receivable. Accounts receivable represent amounts for student tuition and fees, contract and grant 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, 2017, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	$ 28,781,298
Contracts and Grants	23,768,190
Other	6,177,859
Total Accounts Receivable	$ 58,727,347

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 Doubtful Receivables. Allowances for doubtful 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 $1,606,767 and $805,156, respectively, at June 30, 2017.

4. Due From State

The amount due from State primarily consists of $88,223,201 of Public Education Capital Outlay, Capital Improvement Fee Trust Fund, or other allocations due from the State to the University for construction or purchase of University facilities.

5. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2017, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 28,132,603	$ 8,026,187	$ -	$ 36,158,790
Works of Art and Historical Treasures	218,000	-	-	218,000
Construction in Progress	37,684,459	82,246,783	38,870,735	81,060,507
Total Nondepreciable Capital Assets	$ 66,035,062	$ 90,272,970	$ 38,870,735	$ 117,437,297
Depreciable Capital Assets:				
Buildings	$ 1,236,127,554	$ 44,608,820	$ -	$ 1,280,736,374
Infrastructure and Other Improvements	56,751,897	4,646,518	-	61,398,415
Furniture and Equipment	212,080,731	15,847,489	8,785,783	219,142,437
Library Resources	126,829,543	6,214,983	-	133,044,526
Leasehold Improvements	19,068,001	4,661,821	10,094,248	13,635,574
Works of Art and Historical Treasures	1,677,354	-	-	1,677,354
Computer Software and Other Capital Assets	7,850,435	-	-	7,850,435
Total Depreciable Capital Assets	1,660,385,515	75,979,631	18,880,031	1,717,485,115
Less, Accumulated Depreciation:				
Buildings	403,633,387	38,854,270	-	442,487,657
Infrastructure and Other Improvements	26,912,669	2,491,886	-	29,404,555
Furniture and Equipment	171,386,680	15,452,398	8,178,725	178,660,353
Library Resources	104,128,693	4,760,240	-	108,888,933
Leasehold Improvements	16,500,898	1,141,224	10,094,248	7,547,874
Works of Art and Historical Treasures	1,079,435	94,316	-	1,173,751
Computer Software and Other Capital Assets	7,850,435	-	-	7,850,435
Total Accumulated Depreciation	731,492,197	62,794,334	18,272,973	776,013,558
Total Depreciable Capital Assets, Net	$ 928,893,318	$ 13,185,297	$ 607,058	$ 941,471,557

6. Unearned Revenue

Unearned revenue at June 30, 2017, includes grant and contract prepayments, auxiliary prepayments, and student tuition and fees received prior to fiscal year-end related to subsequent accounting periods. As of June 30, 2017, the University reported the following amounts as unearned revenue:

Description	Amount
Grant and Contracts	$ 3,679,307
Auxiliary Prepayments	7,660,250
Student Tuition and Fees	926,286
Total Unearned Revenue	$ 12,265,843

7. Deferred Outflow / Inflow of Resources

One of the University's blended component units (UCF Finance Corporation) entered into an interest rate swap agreement in connection with its $60 million bond issuance to manage the risk of rising interest rates on its variable rate-based debt. Deferred outflow of resources includes the effect of deferring accumulated decreases in fair value of a hedging derivative related to this interest rate swap agreement. Accumulated decrease in the fair value of hedging derivatives for the year ended June 30, 2017, was $12,550,585. The Bonds Payable section of Note 8 below includes a complete discussion of the swap agreement.

The deferred outflows and inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Total deferred outflows of resources related to pensions were $108,655,536 and deferred inflows of resources related to pensions were $1,448,860 for the year ended June 30, 2017. Note 9 includes a complete discussion of defined benefit pension plans.

8. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2017, include capital improvement debt payable, bonds payable, compensated absences payable, other postemployment benefits payable, net pension liability, interest rate swap, and other noncurrent liabilities. Long-term liabilities activity for the fiscal year ended June 30, 2017, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$133,953,938	$ -	$ 8,289,822	$125,664,116	$ 8,520,000
Bonds Payable	52,730,000	-	1,415,000	51,315,000	1,490,000
Compensated Absences Payable	52,047,746	6,013,231	3,335,522	54,725,455	3,830,782
Other Postemployment Benefits Payable	79,335,000	22,362,000	2,973,000	98,724,000	-
Net Pension Liability	117,408,934	141,221,518	59,026,999	199,603,453	1,794,594
Interest Rate Swap	18,102,762	-	5,552,177	12,550,585	-
Other Noncurrent Liabilities	6,502,495	1,248,680	287,122	7,464,053	-
Total Long-Term Liabilities	$460,080,875	$170,845,429	$ 80,879,642	$550,046,662	$ 15,635,376

Capital Improvement Debt Payable. The University had the following capital improvement debt payable outstanding at June 30, 2017:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Student Housing Debt:				
2002 - Housing	$ 14,055,000	$ 4,552,076	4.2 to 4.5	2021
2007A - Housing	38,780,000	26,861,027	4.625 to 5.500	2030
2012A - Housing	66,640,000	62,469,583	3.0 to 5.0	2042
Total Student Housing Debt	119,475,000	93,882,686		
Student Health Center Debt:				
2004A	8,000,000	3,569,271	4.5 to 5.0	2024
Parking Garage Debt:				
2004A - Parking Garage V	18,455,000	5,915,393	3.75 to 4.20	2024
2010B - Parking Garage VI	11,140,000	10,440,000	4.5 to 6.2	2029
2011A - Parking Garage	11,005,000	4,978,997	3.0 to 5.0	2022
2012A - Parking Garage	7,860,000	6,877,769	3.0 to 5.0	2032
Total Parking Garage Debt	48,460,000	28,212,159		
Total Capital Improvement Debt	$ 175,935,000	$ 125,664,116		

Note: (1) Amount outstanding includes unamortized discounts and premiums.

The University has pledged a portion of future housing rental revenues, parking revenues, and health service facility fees based on credit hours to repay $175,935,000 in capital improvement revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct student housing, student health facilities, and student parking garages. The bonds are payable solely from housing rental revenues, parking and transportation fees, and student health fees and are payable through 2042. The University has committed to appropriate each year amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is $171,227,993, and principal and interest paid for the current year totaled $13,973,121. During the 2016-17 fiscal year, operating revenues generated from housing rentals, parking revenues, and student health fees totaled $30,648,841, $21,606,678, and $17,115,631, respectively.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2017, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2018	$ 8,520,000	$ 5,430,116	$ 13,950,116
2019	8,355,000	5,013,526	13,368,526
2020	8,745,000	4,603,128	13,348,128
2021	8,590,000	4,169,909	12,759,909
2022	7,695,000	3,776,985	11,471,985
2023-2027	35,980,000	13,565,482	49,545,482
2028-2032	24,205,000	6,573,860	30,778,860
2033-2037	9,475,000	3,528,194	13,003,194
2038-2042	11,715,000	1,286,793	13,001,793
Subtotal	123,280,000	47,947,993	171,227,993
Net Discounts and Premiums	2,384,116	-	2,384,116
Total	$ 125,664,116	$ 47,947,993	$ 173,612,109

Bonds Payable. One of the University's blended component units, the UCF Finance Corporation (Corporation), issued $60 million in bonds to finance 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 a synthetic interest rate of 4.53 percent at June 30, 2017. 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 are operated and managed by the University. The University and the Corporation entered into an agreement whereby 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 notes as of June 30, 2017, are as follows:

Fiscal Year Ending June 30	Bonds Payable Principal	Bonds Payable Interest	Interest Rate Swap	Net Cash Flows
2018	$ 1,490,000	$ 2,245,544	$ 76,973	$ 3,812,517
2019	1,555,000	2,180,342	74,737	3,810,079
2020	1,630,000	2,112,295	72,405	3,814,700
2021	1,700,000	2,040,966	69,960	3,810,926
2022	1,790,000	1,966,574	67,410	3,823,984
2023-2027	10,260,000	8,584,397	294,255	19,138,652
2028-2032	12,915,000	6,118,084	209,715	19,242,799
2033-2037	16,250,000	3,013,750	103,305	19,367,055
2038	3,725,000	163,006	5,588	3,893,594
Total	$ 51,315,000	$ 28,424,958	$ 974,348	$ 80,714,306

The Corporation entered into an interest rate swap agreement in connection with $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 interest rate swap agreement has a notional amount of $51,315,000 and a maturity date of July 1, 2037. 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 interest rate 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 (0.86 percent at June 30, 2017). The variable-rate coupons of the bonds are reset weekly by the remarketing agent. As of June 30, 2017, the Corporation was not exposed to credit risk on this interest rate swap agreement because it had a negative fair value of $12,550,585, which is reported in deferred outflows of resources on the statement of net position. This deferred outflow of resources reflects the settlement amount the Corporation would have to pay on June 30, 2017, to cancel the interest rate swap agreement which approximates the fair value of the liability transferred to a market participant. The liability's fair value is estimated based on valuation models, using interest rates and yield curves that are observable at commonly quoted intervals as the inputs (Level 2). If interest rates change and the fair value of the interest rate 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 may require that the fair value of the interest rate swap agreement be fully collateralized by a letter of credit if the counterparty's credit quality falls below AA/Aa. As of June 30, 2017, collateralization was not required due to the swap agreement having a negative fair value.

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 noncapital 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, 2017, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $54,725,455. The current portion of the compensated absences liability, $3,830,782, 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 (OPEB) Plan. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB 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 OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. A stand-alone report is not issued and the OPEB Plan information is not included in the annual report of a public employee retirement system or another entity.

Funding Policy. OPEB 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 State has not advance-funded OPEB costs or the net OPEB obligation. Premiums necessary for funding the OPEB Plan each year on a pay-as-you-go basis are established by the Governor's recommended budget and the General Appropriations Act. For the 2016-17 fiscal year, 507 retirees received postemployment healthcare benefits. The University provided required contributions of $2,973,000 toward the annual OPEB cost, composed of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums. Retiree contributions totaled $3,806,000, which represents 1.04 percent of covered payroll.

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 fiscal year, the amount actually contributed to the OPEB Plan, and changes in the University's net OPEB obligation:

Description	Amount
Normal Cost (Service Cost for One Year)	$ 12,368,000
Amortization of Unfunded Actuarial Accrued Liability	8,901,000
Interest on Normal Cost and Amortization	851,000
Annual Required Contribution	22,120,000
Interest on Net OPEB Obligation	3,173,000
Adjustment to Annual Required Contribution	(2,931,000)
Annual OPEB Cost (Expense)	22,362,000
Contribution Toward the OPEB Cost	(2,973,000)
Increase in Net OPEB Obligation	19,389,000
Net OPEB Obligation, Beginning of Year	79,335,000
Net OPEB Obligation, End of Year	$ 98,724,000

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2017, and for the 2 preceding fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014-15	$ 12,943,000	10.2%	$ 59,802,000
2015-16	22,125,000	11.7%	79,335,000
2016-17	22,362,000	13.3%	98,724,000

Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $228,413,000, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $228,413,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $396,397,337 for the 2016-17 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 57.6 percent.

Actuarial valuations for an OPEB 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. Actuarially determined amounts regarding the funded status of the OPEB 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 multiyear trend information that shows whether the actuarial value of OPEB 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 OPEB 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 calculations of the OPEB Plan reflect a long-term perspective. Consistent with this perspective, the actuarial valuations used actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The University's OPEB actuarial valuation as of July 1, 2015, used the entry-age cost actuarial method to estimate the actuarial accrued liability as of June 30, 2017, and the University's 2016-17 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 3.25 percent per year and an inflation rate of 3 percent. Initial healthcare cost trend rates were 3.1 percent, 7.5 percent, and 8.8 percent for the first 3 years, respectively, for all retirees in the Preferred Provider Option (PPO) Plan, and 3 percent, 5.7 percent, and 7 percent for the first 3 years for all retirees in the Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates both grade down to an ultimate rate of 3.9 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, 2017, was 20 years.

Net Pension Liability. As a participating employer in the Florida Retirement System, the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2017, the University's proportionate share of the net pension liabilities totaled $199,603,453. Note 9. includes a complete discussion of defined benefit pension plans.

Interest Rate Swap. As described previously in the Bonds Payable paragraph above, the Corporation entered into an interest rate swap agreement in connection with its $60 million bond issuance. As of June 30, 2017, this interest rate swap agreement had a negative fair value of $12,550,585.

Other Noncurrent Liabilities. Other noncurrent liabilities primarily consist of the liability for the Federal Capital Contribution (advance) provided to fund the University's Federal Perkins Loan Program. Under the Perkins Loan 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 $6,165,630 as of June 30, 2017.

Certificate of Participation Payable and Bonds Payable – Component Units.

UCF Convocation Corporation

During the 2014-15 fiscal year, the UCF Convocation Corporation issued a $58,645,000 Refunding Certificate of Participation, Series 2014A and a $58,930,000 Refunding Certificate of Participation, Series 2014B related to the construction of four residential housing towers, two adjacent parking facilities, and certain surrounding commercial retail space during the 2004-05 and 2005-06 fiscal years. The refunding certificates will mature on October 1, 2034 and October 1, 2035, respectively, and bear interest at a fixed rate of 3.61 and 3.80 percent per annum respectively.

During the 2015-16 fiscal year, the UCF Convocation Corporation issued a $48,385,000 Refunding Revenue Bond, Series 2015A and a $34,775,000 Taxable Refunding Revenue Bond, Series 2015B to a bank related to the acquisition, construction, and installation of a new convocation center, renovation of the existing University Arena, and construction of related infrastructure during the 2005-06 fiscal year. The bonds will mature on October 1, 2035 and bear interest at fixed rates ranging from 1.50 to 5.00 percent per annum.

The outstanding balance of all UCF Convocation Corporation certificates and revenue bonds at June 30, 2017, was $108,600,000 and $79,825,000 before an unamortized premium of $1,032,650.

The University entered into an operating agreement with the UCF Convocation Corporation whereby the UCF Convocation Corporation will be solely responsible for management and operations of the convocation center and related facilities. The University assigned its rights, title and interest in revenues generated from use of the facilities to the UCF Convocation Corporation and granted it the right to pledge revenues to secure repayment of the refunding revenue bonds. The University retained the right for priority use of the facilities for a period of at least one hundred days annually. In exchange, the University agreed to pay UCF Convocation Corporation $2,200,000 per year for the term of the agreement. The term of the agreement ends in 2036 and cannot be terminated prior to the time that all related bonds have been paid in full. Amounts paid to UCF Convocation Corporation for the year ended June 30, 2017, totaled $2,200,000.

The University entered into a support agreement with the UCF Convocation Corporation such that it will fund certain deficiencies that may arise in the event the corporation is unable to make the minimum payments on the certificates or bonds. The University is obligated only to the extent it has legally available revenues to cover the unpaid amounts. In the event of certain deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to defer collecting certain expenditures to cover any such deficiencies.

In fiscal year 2017, the Convocation Corporation met requirements necessary to release certain restricted funds held by the trustee. The Corporation's governing board made the decision to remit a portion of these funds back to the University. Transfers to the University totaled $3,324,141 for fiscal year ended June 30, 2017.

UCF Stadium Corporation

During the 2015-16 fiscal year, the UCF Stadium Corporation issued Series 2015A tax-exempt refunding revenue bonds for $33,995,000 with a net premium of $2,332,576, Series 2015B taxable refunding revenue bonds for $10,250,000, and a Series 2015C non-taxable refunding revenue bond for $3,810,000 to a bank related to the construction of a football stadium on the campus at the University. The bonds include both term and serial bonds and are secured by a pledge from the UCF Athletics Association, Inc. of gross ticket revenues, rent, away game guarantees, conference distributions, and sponsorship revenues. The bonds bear fixed interest rates that range from 1.95 percent to 5.15 percent, and maturity dates that range from March 2029 to March 2036.

The outstanding balance of all UCF Stadium Corporation revenue bonds at June 30, 2017, was $45,623,000, before an unamortized premium of $2,150,194.

The University entered into a support agreement with the UCF Stadium 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. In addition, if the Corporation has deficiencies for debt service coverage or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent it has legally available revenues to cover the unpaid amounts.

Loans and Notes Payable – Component Units.

UCF Foundation Inc.

During the 2007-08 fiscal year, the University of Central Florida Foundation, Inc., signed renewal annuity notes payable with two Charitable Remainder Annuity Trusts for which the Foundation is named as irrevocable beneficiary. The notes bear interest at 7.13% and include quarterly installment payments with an aggregate balloon payment of unpaid principal and interest due on October 2017. As of June 30, 2017, the outstanding principal balance of the notes payable was $1,958,020.

During the 2004-05 fiscal year, the University of Central Florida Foundation, Inc. entered into two notes of $2,800,000 and $10,400,000, respectively, with banks for the purchase of land and buildings. The notes are secured by the land, buildings, and lease revenues. As of June 30, 2017 the $2,800,000 note was fully repaid. In May 2017, the note was refinanced to a 3.34% fixed rate. The note matures on April 1, 2029. As of June 30, 2017, the remaining outstanding principal was $7,535,000.

During the 2009-10 fiscal year, the University of Central Florida Foundation, Inc. entered into a note agreement with a bank for $19,925,000. The note is comprised of a tax-exempt portion with a fixed rate of 4.96% and a taxable portion with a fixed rate of 5.83%. The note is secured by buildings and lease revenue. As of June 30, 2017, the remaining outstanding principal for both the taxable and tax-exempt series was $13,670,000.

UCF Athletics Association Inc.

During the 2014-15 fiscal year, the UCF Athletics Association, Inc., modified a construction line of credit with a local bank to a line of credit promissory note. The note matures June 2033, and the repayment schedule assumes the agreement is renewed annually. If the agreement is not renewed, the entire balance will be due in full at that time. On July 1, 2017, the UCF Athletics Association renewed the agreement until July 2018, which carries interest at 67 percent of LIBOR plus 1.34 percent (2.05 percent at June 30, 2017). The note is secured by an amount not to exceed 5% of the prior year's collection of student athletic fees and conference payments from the American conference. As of June 30, 2017, the amount outstanding on the note was $5,924,999.

On July 3, 2017, the UCF Athletics Association, Inc., also renewed an operating line of credit agreement with a local bank for $5,000,000. The line carries an interest rate of LIBOR plus 2.00 percent (3.06 percent at June 30, 2017). The line is secured by all contract royalties under a multimedia agreement, as well as, all NCAA grant-in-aid and sports sponsorship distributions. As of June 30, 2017, there was no amount outstanding on the operating line of credit.

Due to University – Component Units. The UCF Athletics Association received several loans from the University between 2004 and 2007. In 2009, those loans were consolidated into one loan. In July 2015, the Board of Trustees approved an amendment to the previous payment schedule. A payment of $500,000 was made during fiscal 2017 with future years' payments ranging from $500,000 to $1,200,000. The loan matures in fiscal 2025 and bears interest at a variable rate equal to the preceding fiscal year's average SPIA rate of return. As of June 30, 2017, the amount outstanding, including interest, totaled $6,614,649.

9. Retirement Plans – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of 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' Web site (www.dms.myflorida.com).

The University's FRS and HIS pension expense totaled $32,656,705 for the fiscal year ended June 30, 2017.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class* (SMSC) – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after

July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable 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 to eligible participants.

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-participating employer. An employee may participate in 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 net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-17 fiscal year were

	Percent of Gross Salary	
Class	**Employee**	**Employer (1)**
FRS, Regular	3.00	7.52
FRS, Senior Management Service	3.00	21.77
FRS, Special Risk	3.00	22.57
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	12.99
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled $15,533,963 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the University reported a liability of $141,366,568 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The University's proportionate share of the net pension liability was based on the University's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the University's proportionate share was 0.559865856 percent, which was an increase of 0.021704357 from its proportionate share measured as of June 30, 2015.

For the year ended June 30, 2017, the University recognized pension expense of $26,753,099. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,824,112	$ 1,316,218
Change of assumptions	8,552,254	-
Net difference between projected and actual earnings on FRS Plan investments	36,541,535	-
Changes in proportion and differences between University contributions and proportionate share of contributions	19,489,231	-
University FRS contributions subsequent to the measurement date	15,533,963	-
Total	$ 90,941,095	$ 1,316,218

The deferred outflows of resources totaling $15,533,963, resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2018	$ 12,718,805
2019	12,718,805
2020	26,964,964
2021	17,724,619
2022	3,069,007
Thereafter	894,714
Total	$ 74,090,914

Actuarial Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	7.60 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate (Property)	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	11.1%
Total	100%			
Assumed inflation - Mean		2.6%		1.9%

Note: (1) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 7.60 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60 percent) or 1 percentage point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
University's proportionate share of the net pension liability	$260,265,423	$141,366,568	$42,398,974

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a

State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled $2,803,354 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the University reported a liability of $58,236,885 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within one year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The University's proportionate share of the net pension liability was based on the University's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the University's proportionate share was 0.499690735 percent, which was an increase of 0.03002851 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the University recognized pension expense of $5,903,606. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 132,642
Change of assumptions	9,138,848	-
Net difference between projected and actual earnings on HIS Plan investments	29,446	-
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	5,742,793	-
University HIS contributions subsequent to the measurement date	2,803,354	
Total	$ 17,714,441	$ 132,642

The deferred outflows of resources totaling $2,803,354 resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	**Amount**
2018	$ 2,682,856
2019	2,682,856
2020	2,677,249
2021	2,674,558
2022	2,308,519
Thereafter	1,752,407
Total	$ 14,778,445

Actuarial Assumptions. The total pension liability at July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal bond rate	2.85 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability decreased from 3.80 percent from the prior measurement date.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 2.85 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.85 percent) or 1 percentage point higher (3.85 percent) than the current rate:

	1% Decrease (1.85%)	**Current Discount Rate (2.85%)**	**1% Increase (3.85%)**
University's proportionate share of the net pension liability	$66,810,938	$58,236,885	$51,120,889

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report.

10. Retirement Plans – Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2016-17 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University's Investment Plan pension expense totaled $3,662,336 for the fiscal year ended June 30, 2017.

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 FRS for 8 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 employing university contributes 5.14 percent of the participant's salary to the participant's account, 2.83 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 7.98 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled $18,145,536, and employee contributions totaled $11,215,589 for the 2016-17 fiscal year.

11. Construction Commitments

The University's major construction commitments at June 30, 2017, are as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Interdisciplinary Research and Incubator Facility	$ 48,564,312	$ 33,920,452	$ 14,643,860
John C. Hitt Library Renovations	20,736,643	11,926,694	8,809,949
Partnership IV Phase II	19,100,000	100,000	19,000,000
District Energy Plant IV	11,806,651	5,804,379	6,002,272
Trevor Colbourn Hall	9,960,332	1,892,524	8,067,808
UCF Downtown Academic Building	3,981,718	1,185,827	2,795,891
Student Union Expansion	1,013,443	161,644	851,799
Subtotal	115,163,099	54,991,520	60,171,579
Other Projects (1)	31,849,190	26,068,987	5,780,203
Total	$ 147,012,289	$ 81,060,507	$ 65,951,782

Note: (1) Individual projects with current balance committed of less than $1 million at June 30, 2017.

12. Operating Lease Commitments

The University leased buildings under operating leases, which expire in fiscal year 2030. These leased assets and the related commitments are not reported on the University's statement of net position. 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 these noncancelable operating leases are as follows:

Fiscal Year Ending June 30	Amount
2018	$ 10,674,465
2019	10,598,595
2020	7,470,547
2021	1,685,114
2022	1,620,699
2023-2027	4,850,131
2028-2030	845,950
Total Minimum Payments Required	$ 37,745,501

The University of Central Florida Foundation, Inc., receives rents and reimbursement for certain operating expenses from the University for various buildings owned by the Foundation and occupied by the University. The Foundation and University are also parties to a long-term 99-year ground lease for use of the land at Lake Nona for the Health Sciences Campus. Rents and reimbursements paid by the University for the year ended June 30, 2017, were $9,306,243.

The University has also entered into rental agreements with the UCF Convocation Corporation for use of parking garages and various retail spaces surrounding the arena. Rents paid to the UCF Convocation Corporation for the year needed June 30, 2017, totaled $2,417,957.

13. 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, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2016-17 fiscal year, for property losses, the State retained the first $2 million per occurrence for all perils except named windstorm and flood. The State retained the first $2 million per occurrence with an annual aggregate retention of $40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $85 million for named windstorm and flood. For perils other than named windstorm 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 automotive liability, Federal Civil Rights and employment action 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 $200,000 per person, and $300,000 per occurrence as set by Section 768.28(5), Florida Statutes. 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 3 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.

University Self-Insured Program.

The University of Central Florida, College of Medicine Self-Insurance Program (Program) was established pursuant to Section 1004.24, Florida Statutes, on September 25, 2008. The Program's purpose is to provide comprehensive general liability and professional liability (malpractice) coverage for the University of Central Florida Board of Trustees and students for claims and actions arising from the clinical activities of the College of Medicine, College of Nursing, UCF Health Services, College of Health and Public Affairs, and the Central Florida Clinical Practice Organization, Inc., faculty, staff and resident physicians. The Program provides legislative claims bill protection.

Prior to October 1, 2011, the Program provided the Board of Trustees with protection of $100,000 per claim and $200,000 for all claims arising from a single occurrence; $100,000 per claim and $200,000 for all claims arising from the same occurrence for the acts and omissions of students of the colleges protected by the Program engaged in assigned activities at affiliated hospitals or other healthcare affiliates, and this student professional liability coverage may be increased subject to a $1,000,000 limit per occurrence if higher limits of liability are required by an affiliated hospital or healthcare affiliate; $250,000 per occurrence in the event that the personal immunity to tort claims as described in Section 768.28(9), Florida Statutes, is inapplicable as to an employee or agent of Trustees while such employee or agent functions within the course and scope of his or her employment or agency; and $250,000 for employees who act as a Good Samaritan or are engaged in approved Community Service. In response to the Florida Legislature increasing the limits of liability contained in Section 768.28, Florida Statutes, effective October 1, 2011, the limits of protection for sovereign immune entities rose to $200,000 per claim and $300,000 from all claims arising from the single occurrence. By action of the UCF College of Medicine Self-Insurance Program Council, on March 23, 2012, the student coverage was increased to $200,000 per claim and $300,000 from all claims arising from the same occurrence; the $1,000,000 increased limit was not affected by this action. Under this claims-incurred policy written directly with the Program participants, protection is provided against claims that arise from incidents occurring during the term of the policies irrespective of the time the claim is asserted.

The Self-Insurance Program's estimated liability for unpaid claims at fiscal year-end is the result of management and actuarial analysis and includes an amount for claims that have been incurred but not reported. Changes in the balances of claims liability for the Self-Insurance Program during the 2015-16 and 2016-17 fiscal years are presented in the following table:

Fiscal Year		Claims Liabilities Beginning of Year		Current Claims and Changes in Estimates		Claim Payments		Claims Liabilities End of Year
June 30, 2016	$	43,329	$	98,071	$	178	$	141,222
June 30, 2017		141,222		92,630		274		233,578

14. 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.

15. 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 an academic department 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 position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Instruction	$ 335,592,215
Research	124,711,484
Public Services	8,830,140
Academic Support	70,347,718
Student Services	53,925,600
Institutional Support	113,916,583
Operation and Maintenance of Plant	51,143,141
Scholarships, Fellowships, and Waivers	89,930,504
Depreciation	62,794,334
Auxiliary Enterprises (Net)	102,151,032
Loan Operations	482,122
Total Operating Expenses	$ 1,013,824,873

16. 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, deferred outflows of resources, liabilities, and deferred inflows of resources are required to be accounted for separately. The following financial information for the University's Housing, Parking, and Health Service facilities represents identifiable activities for which one or more bonds are outstanding:

Condensed Statement of Net Position

	Housing Capital Improvement Debt	Parking Capital Improvement Debt	Health Services Capital Improvement Debt
Assets			
Current Assets	$ 17,606,484	$ 17,378,378	$ 10,148,876
Capital Assets, Net	93,131,640	61,400,379	10,797,260
Other Noncurrent Assets	11,162,384	9,768,977	6,506,694
Total Assets	121,900,508	88,547,734	27,452,830
Liabilities			
Current Liabilities	8,945,884	5,287,984	1,584,694
Noncurrent Liabilities	89,567,123	27,754,119	3,885,394
Total Liabilities	98,513,007	33,042,103	5,470,088
Net Position			
Net Investment in Capital Assets	(751,046)	30,376,153	7,227,988
Restricted - Expendable	11,120,446	9,195,534	6,182,748
Unrestricted	13,018,101	15,933,944	8,572,006
Total Net Position	$ 23,387,501	$ 55,505,631	$ 21,982,742

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Housing Capital Improvement Debt	Parking Capital Improvement Debt	Health Services Capital Improvement Debt
Operating Revenues	$ 30,702,541	$ 21,606,678	$ 21,958,650
Depreciation Expense	(4,627,521)	(2,768,329)	(554,398)
Other Operating Expenses	(16,273,742)	(12,041,385)	(18,201,019)
Operating Income	9,801,278	6,796,964	3,203,233
Nonoperating Revenues (Expenses):			
Nonoperating Revenue	451,349	537,133	267,348
Interest Expense	(4,196,148)	(1,369,856)	(195,030)
Other Nonoperating Expense	(1,501)	199,367	110
Net Nonoperating Expenses	(3,746,300)	(633,356)	72,428
Other Revenues, Expenses, Gains and Losses	(5,294,434)	(1,792,346)	(2,487,643)
Increase in Net Position	760,544	4,371,262	788,018
Net Position, Beginning of Year	22,626,957	51,134,369	21,194,724
Net Position, End of Year	$ 23,387,501	$ 55,505,631	$ 21,982,742

Condensed Statement of Cash Flows

	Housing Capital Improvement Debt	Parking Capital Improvement Debt	Health Services Capital Improvement Debt
Net Cash Provided (Used) by:			
Operating Activities	$ 13,956,891	$ 9,880,022	$ 3,898,123
Noncapital Financing Activities	(2,774,203)	(1,743,158)	(2,388,047)
Capital and Related Financing Activities	(12,785,707)	(8,235,816)	(2,962,093)
Investing Activities	154,811	(1,045,435)	610,080
Net Decrease in Cash and Cash Equivalents	(1,448,208)	(1,144,387)	(841,937)
Cash and Cash Equivalents, Beginning of Year	2,823,043	2,429,816	1,625,018
Cash and Cash Equivalents, End of Year	$ 1,374,835	$ 1,285,429	$ 783,081

17. Blended Component Units

The University has two blended component units as discussed in Note 1. The following financial information is presented net of eliminations for the University's blended component units:

Condensed Statement of Net Position

	Blended Component Units					
	UCF Finance Corporation	University of Central Florida College of Medicine Self-Insurance Program	Total Blended Component Units	University	Eliminations	Total Primary Government
Assets:						
Other Current Assets	$ 4,370,336	$ 4,602,733	$ 8,973,069	$ 593,328,647	$ -	$ 602,301,716
Capital Assets, Net	-	-	-	1,058,908,854	-	1,058,908,854
Due From University / Blended CU	47,305,410	-	47,305,410	-	(47,305,410)	-
Other Noncurrent Assets	-	-	-	144,896,482	-	144,896,482
Total Assets	51,675,746	4,602,733	56,278,479	1,797,133,983	(47,305,410)	1,806,107,052
Deferred Outflows of Resources	12,550,585	-	12,550,585	108,655,536	-	121,206,121
Liabilities:						
Other Current Liabilities	1,709,147	238,078	1,947,225	109,550,753	-	111,497,978
Due To University / Blended CU	-	-	-	47,305,410	(47,305,410)	-
Noncurrent Liabilities	62,375,585	-	62,375,585	472,035,701	-	534,411,286
Total Liabilities	64,084,732	238,078	64,322,810	628,891,864	(47,305,410)	645,909,264
Deferred Inflows of Resources	-	-	-	1,448,860	-	1,448,860
Net Position:						
Net Investment in Capital Assets	-	-	-	887,634,922	-	887,634,922
Restricted - Expendable	141,599	4,364,655	4,506,254	217,239,324	-	221,745,578
Unrestricted	-	-	-	170,574,549	-	170,574,549
Total Net Position	$ 141,599	$ 4,364,655	$ 4,506,254	$ 1,275,448,795	$ -	$ 1,279,955,049

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Blended Component Units					
	UCF Finance Corporation	University of Central Florida College of Medicine Self-Insurance Program	Total Blended Component Units	University	Eliminations	Total Primary Government
Operating Revenues	$ -	$ 822,331	$ 822,331	$ 523,002,034	$ (818,584)	$ 523,005,781
Depreciation Expense	-	-	-	(62,794,334)	-	(62,794,334)
Other Operating Expenses	(205,587)	(332,466)	(538,053)	(950,492,930)	444	(951,030,539)
Operating Income (Loss)	(205,587)	489,865	284,278	(490,285,230)	(818,140)	(490,819,092)
Nonoperating Revenues (Expenses):						
Nonoperating Revenue	2,510,023	159,469	2,669,492	531,614,093	(2,499,509)	531,784,076
Interest Expense	(2,304,436)	-	(2,304,436)	(5,709,294)	-	(8,013,730)
Other Nonoperating Expense	-	-	-	(41,519,606)	3,317,649	(38,201,957)
Net Nonoperating Revenues	205,587	159,469	365,056	484,385,193	818,140	485,568,389
Other Revenues	-	-	-	60,633,180	-	60,633,180
Increase in Net Position	-	649,334	649,334	54,733,143	-	55,382,477
Net Position, Beginning of Year	141,599	3,715,321	3,856,920	1,220,715,652	-	1,224,572,572
Net Position, End of Year	$ 141,599	$ 4,364,655	$ 4,506,254	$ 1,275,448,795	$ -	$ 1,279,955,049

Condensed Statement of Cash Flows

	Blended Component Units					
	UCF Finance Corporation	University of Central Florida College of Medicine Self-Insurance Program	Total Blended Component Units	University	Eliminations	Total Primary Government
Net Cash Provided (Used) by:						
Operating Activities	$ (308,999)	$ 639,058	$ 330,059	$ (389,509,511)	$ (818,584)	$ (389,998,036)
Noncapital Financing Activities	-	-	-	478,502,749	4,864,243	483,366,992
Capital and Related Financing Activities	334,561	-	334,561	(102,932,810)	(4,045,659)	(106,643,908)
Investing Activities	10,958	(306,657)	(295,699)	(15,724,921)	-	(16,020,620)
Net Increase (Decrease) in Cash and Cash Equivalents	36,520	332,401	368,921	(29,664,493)	-	(29,295,572)
Cash and Cash Equivalents, Beginning of Year	4,101,306	1,235,290	5,336,596	42,981,511	-	48,318,107
Cash and Cash Equivalents, End of Year	$ 4,137,826	$ 1,567,691	$ 5,705,517	$ 13,317,018	$ -	$ 19,022,535

18. Discretely Presented Component Units

The University has six 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:

Condensed Statement of Net Position

	Direct-Support Organizations						Other	
	University of Central Florida Foundation, Inc.	University of Central Florida Research Foundation, Inc.	UCF Athletics Association, Inc.	UCF Convocation Corporation	UCF Stadium Corporation	Total Direct-Support Organizations	Central Florida Clinical Practice Organizations, Inc.	Total
Assets:								
Current Assets	$ 35,086,237	$ 14,447,860	$ 5,793,133	$ 18,490,760	$ 3,316,874	$ 77,134,864	$ 5,677,659	$ 82,812,523
Capital Assets, Net	75,655,619	-	16,864,199	81,385,654	-	173,905,472	90,316	173,995,788
Other Noncurrent Assets	209,852,401	590,118	-	2,525,222	-	212,967,741	-	212,967,741
Total Assets	320,594,257	15,037,978	22,657,332	102,401,636	3,316,874	464,008,077	5,767,975	469,776,052
Deferred Outflows of Resources	416	-	-	599,880	66,032	666,328	-	666,328
Liabilities:								
Current Liabilities	7,423,294	9,719,594	6,876,187	12,030,383	3,926,266	39,975,724	302,488	40,278,212
Noncurrent Liabilities	19,896,699	-	12,425,927	182,212,650	46,058,194	260,593,470	-	260,593,470
Total Liabilities	27,319,993	9,719,594	19,302,114	194,243,033	49,984,460	300,569,194	302,488	300,871,682
Deferred Inflows of Resources	-	-	-	184,564	-	184,564	-	184,564
Net Position:								
Net Investment in Capital Assets	54,451,036	-	10,918,719	(107,656,680)	(47,707,162)	(89,994,087)	90,316	(89,903,771)
Restricted Nonexpendable	130,431,162	-	-	-	-	130,431,162	-	130,431,162
Restricted Expendable	89,003,305	755,135	2,490,528	10,229,603	208,358	102,686,929	-	102,686,929
Unrestricted	19,389,177	4,563,249	(10,054,029)	6,000,996	897,250	20,796,643	5,375,171	26,171,814
Total Net Position	$ 293,274,680	$ 5,318,384	$ 3,355,218	$ (91,426,081)	$ (46,601,554)	$ 163,920,647	$ 5,465,487	$ 169,386,134

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Direct-Support Organizations						Other	
	University of Central Florida Foundation, Inc.	University of Central Florida Research Foundation, Inc.	UCF Athletics Association, Inc.	UCF Convocation Corporation	UCF Stadium Corporation	Total Direct-Support Organizations	Central Florida Clinical Practice Organizations, Inc.	Total
Operating Revenues	$ 56,177,859	$ 12,702,187	$ 51,079,927	$ 30,707,269	$ 3,483,291	$ 154,150,533	$ 4,249,059	$ 158,399,592
Depreciation Expense	(1,973,275)	-	(870,557)	(3,096,104)	(5,112)	(5,945,048)	(74,202)	(6,019,250)
Operating Expenses	(48,536,176)	(11,683,412)	(48,138,018)	(14,686,852)	(120,171)	(123,164,629)	(1,506,209)	(124,670,838)
Operating Income	5,668,408	1,018,775	2,071,352	12,924,313	3,358,008	25,040,856	2,668,648	27,709,504
Net Nonoperating Revenues (Expenses):								
Nonoperating Revenues	12,118,986	-	1,475,855	132,223	42,797	13,769,861	-	13,769,861
Interest Expense	-	-	(251,129)	(7,034,471)	(1,832,278)	(9,117,878)	-	(9,117,878)
Other Nonoperating Expenses	(34,455)	(38,249)	-	(4,011,675)	(276,161)	(4,360,540)	(437,002)	(4,797,542)
Net Nonoperating Revenues (Expenses)	12,084,531	(38,249)	1,224,726	(10,913,923)	(2,065,642)	291,443	(437,002)	(145,559)
Other Revenues, Expenses, Gains, and Losses	4,270,764	-	-	-	-	4,270,764	-	4,270,764
Increase in Net Position	22,023,703	980,526	3,296,078	2,010,390	1,292,366	29,603,063	2,231,646	31,834,709
Net Position, Beginning of Year	271,250,977	4,337,858	59,140	(93,436,471)	(47,893,920)	134,317,584	3,233,841	137,551,425
Net Position, End of Year	$ 293,274,680	$ 5,318,384	$ 3,355,218	$ (91,426,081)	$ (46,601,554)	$ 163,920,647	$ 5,465,487	$ 169,386,134

The UCF Convocation Corporation and the UCF Stadium Corporation have a deficit net position of $91,426,081 and $46,601,554, respectively, as of June 30, 2017. These deficits are attributed to the transfer of buildings and building improvements to the University as a result of the August 2015 and December 2015 debt refunding which terminated the ground lease between the UCF Convocation Corporation and the University, and the UCF Stadium Corporation and the University. The Corporations' debts related to the refunding were previously included as a component of the Net Investment in Capital Assets net position but are now included as component of unrestricted net position on their stand-alone financial statements. The University has reclassified the amounts to Net Investment in Capital Assets in the Statement of Net Position. As the UCF Convocation Corporation and the UCF Stadium Corporation continue to reduce its outstanding long term debt obligations, the deficit net position will decrease.

19. Subsequent Events

In September 2017, the UCF Finance Corporation issued a Series 2017 term loan of $63,359,000 to a bank. Proceeds of $63,359,000 from the term loan plus an additional $918,459 of funds contributed from the Corporation were used to terminate the Corporation's interest rate swap liability in the amount of $13,447,600 as of the time of closing, to purchase $50,627,660 of U.S. Treasury State and Local Government Series Securities, and to fund $202,199 in cost of issuance expenses. The U.S. Treasury State and Local Government Series Securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Corporation's outstanding Series 2007 capital improvement revenue bonds. The Corporation expects to extinguish the Series 2007 capital improvement revenue bonds in October, 2017.

Schedule of Funding Progress – Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2011	$ -	$ 118,673,000	$ 118,673,000	0%	$ 280,490,639	42.3%
7/1/2013	-	141,984,000	141,984,000	0%	305,107,256	46.5%
7/1/2015	-	228,413,000	228,413,000	0%	364,535,289	62.7%

Note: (1) The entry-age cost actuarial method was used to calculate the actuarial accrued liability.

Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan

	2016 (1)	**2015** (1)	**2014** (1)	**2013** (1)
University's proportion of the FRS net pension liability	0.559865856%	0.538161499%	0.484303900%	0.360374086%
University's proportionate share of the FRS net pension liability	$ 141,366,568	$ 69,510,775	$ 29,549,662	$ 62,036,419
University's covered payroll (2)	$ 364,535,289	$ 333,695,268	$ 305,107,256	$ 289,894,138
University's proportionate share of the FRS net pension liability as a percentage of its covered payroll	38.78%	20.83%	9.69%	21.40%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	84.88%	92.00%	96.09%	88.54%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Schedule of University Contributions – Florida Retirement System Pension Plan

	2017 (1)	**2016** (1)	**2015** (1)	**2014** (1)
Contractually required FRS contribution	$ 15,533,963	$ 13,653,222	$ 13,120,834	$ 10,608,311
FRS contributions in relation to the contractually required contribution	(15,533,963)	(13,653,222)	(13,120,834)	(10,608,311)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered payroll (2)	$ 396,397,337	$ 364,535,289	$ 333,695,268	$ 305,107,256
FRS contributions as a percentage of covered payroll	3.92%	3.75%	3.93%	3.48%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan

	2016 (1)	**2015** (1)	**2014** (1)	**2013** (1)
University's proportion of the HIS net pension liability	0.499690735%	0.469662225%	0.430757459%	0.415357381%
University's proportionate share of the HIS net pension liability	$ 58,236,885	$ 47,898,159	$ 40,276,874	$ 36,162,321
University's covered payroll (2)	$ 153,090,572	$ 140,702,712	$ 127,489,508	$ 122,964,996
University's proportionate share of the HIS net pension liability as a percentage of its covered payroll	38.04%	34.04%	31.59%	29.41%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	0.97%	0.50%	0.99%	1.78%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.
(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Schedule of University Contributions – Health Insurance Subsidy Pension Plan

	2017 (1)	**2016** (1)	**2015** (1)	**2014** (1)
Contractually required HIS contribution	$ 2,803,354	$ 2,561,234	$ 1,795,341	$ 1,475,630
HIS contributions in relation to the contractually required HIS contribution	(2,803,354)	(2,561,234)	(1,795,341)	(1,475,630)
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered payroll (2)	$ 166,665,368	$ 153,090,572	$ 140,702,712	$ 127,489,508
HIS contributions as a percentage of covered payroll	1.68%	1.70%	1.28%	1.16%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.
(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Schedule of Funding Progress – Other Postemployment Benefit Plan

The July 1, 2015, unfunded actuarial accrued liability of $228,413,000 was significantly higher than the July 1, 2013, liability of $141,984,000 as a result of (1) the per capita claims cost assumption increased, (2) retiree contributions were not as high as expected, (3) the healthcare trend rate assumption was revised, (4) certain demographic assumptions were revised (retirement rates, termination rates, etc.), and (5) changes in allocations by agency based on current census information.

2. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. The long-term expected rate of return was decreased from 7.65 percent to 7.60 percent, and the active member mortality assumption was updated.

3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 3.80 percent to 2.85 percent.

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APPENDIX J

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, 2017

UCF

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UCF

Finance and Accounting

October 30, 2017

Mr. Raymond K. Petty
Division of Bond Finance
Post Office Box 13300
Tallahassee, FL 32317-3300

Dear Mr. Petty:

Management has prepared the accompanying statement of net position of the University of Central Florida Housing Facility as of June 30, 2017 and the related statements of revenues, expenses and changes in net positions and cash flows for the year then ended, in accordance with general accepted accounting principles. These statements have NOT been audited; however the financial information is included in the University statements, which is audited by the State of Florida Auditor General's office.

Sincerely,

Christina Tant

Christina Tant, CPA
Assistant Vice President and Controller

cc: Mr. Chris Kinsley
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, 2017, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of Housing Facility 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 position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

THE STATEMENT OF NET POSITON

The statement of net position 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. Assets less liabilities equals net position, which is one indicator of the Housing Facility's current financial condition. The changes in net position 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 position at June 30:

Condensed Statement of Net Position at June 30
(In Thousands)

	2017	2016
Assets		
Current Assets	$ 17,607	$ 19,773
Capital Assets, Net	93,132	96,284
Other Noncurrent Assets	11,162	9,960
Total Assets	121,901	126,017
Liabilities		
Current Liabilities	8,946	9,014
Noncurrent Liabilities	89,567	94,376
Total Liabilities	98,513	103,390
Net Position		
Net Investment in Capital Assets	(751)	(2,201)
Restricted	11,121	9,928
Unrestricted	13,018	14,900
Total Net Position	$ 23,388	$ 22,627

The Housing Facility's assets totaled $121.9 million at June 30, 2017, as compared to $126.0 million at June 30, 2016. This balance reflects a $4.1 million, or 3.3 percent, decrease from June 30, 2016 primarily due to depreciation on capital assets. Liabilities decreased by $4.9 million or 4.7 percent, totaling $98.5 million at June 30, 2017, compared to $103.4 million at June 30, 2016. The primary reason for the decrease is due to scheduled principal payments made on the capital improvement debt. As a result, the Housing Facility's net position increased by $.8 million, ending the year with a balance of $23.4 million.

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position 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 2016-17 and 2015-16 fiscal years:

Condensed Statement of Revenue, Expenses, and Changes in Net Position
For Fiscal Years
(In Thousands)

	2016-17	2015-16
Operating Revenues	$ 30,702	$ 30,206
Less, Operating Expenses	20,901	21,444
Operating Income	9,801	8,762
Net Nonoperating Expenses	(3,746)	(3,649)
Income Before Other Revenues, Expenses, Gains, or Losses	6,055	5,113
Transfers to University Departments	(5,294)	(2,344)
Increase In Net Position	761	2,769
Net Position, Beginning of Year	22,627	19,858
Net Position, End of Year	$ 23,388	$ 22,627

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 for the 2016-17 and 2015-16 fiscal years:

Operating Revenues
(In Thousands)

	2016-17	2015-16
Housing Room Rentals and Other Revenue	$ 30,282	$ 29,759
Other Operating Revenues	420	447
Total Operating Revenues	$ 30,702	$ 30,206

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 position 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 2016-17 and 2015-16 fiscal years:

Operating Expenses
(In Thousands)

	2016-17	2015-16
Compensation and Employee Benefits	$ 8,660	$ 8,331
Services and Supplies	4,601	5,405
Utilities and Communications	2,917	2,790
Scholarships and Fellowships	96	115
Depreciation	4,627	4,803
Total Operating Expenses	$ 20,901	$ 21,444

Total operating expenses decreased $0.5 million, or 2.5 percent, from the 2015-16 fiscal year. Services and supplies expenses decreased $0.8 million primarily due to a decrease in housing repairs.

Nonoperating Revenues and Expenses

Certain revenue sources that the Housing Facility relies on 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 2016-17 and 2015-16 fiscal years:

Nonoperating Revenues (Expenses)
(In Thousands)

	2016-17	2015-16
Investment Income	$ 451	$ 731
Other Nonoperating Revenues	-	7
Interest on Capital Asset-Related Debt	(4,196)	(4,387)
Other Nonoperating Expenses	(1)	-
Net Nonoperating Expenses	$ (3,746)	$ (3,649)
Transfers to University Departments	$ (5,294)	$ (2,344)

Transfers to University Departments increased $3.0 million primarily due to a $2.6 million transfer to assist in the funding of the UCF downtown project.

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 2016-17 and 2015-16 fiscal years:

Condensed Statement of Cash Flows
(In Thousands)

	2016-17	2015-16
Cash Provided (Used) by:		
Operating Activities	$ 13,957	$ 13,794
Noncapital Financing Activities	(2,774)	(2,163)
Capital and Related Financing Activities	(12,786)	(9,742)
Investing Activities	155	(1,204)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,448)	685
Cash and Cash Equivalents, Beginning of Year	2,823	2,138
Cash and Cash Equivalents, End of Year	$ 1,375	$ 2,823

Cash and cash equivalents decreased by $1.4 million. Cash used by capital and related financing activities increased by $3.0 million primarily due to the $2.6 million transfer to assist in the funding of the UCF downtown project. Cash provided by investing activities increased by $1.4 million primarily due to an increase in net investment sales.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2017, the Housing Facility had $156.1 million in capital assets, less accumulated depreciation of $63.0 million, for net capital assets of $93.1 million. Depreciation charges for the current fiscal year totaled $4.6 million.

The following table summarizes the Housing Facility's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30
(In Thousands)

	2017	2016
Buildings	$ 91,646	$ 96,017
Furniture and Equipment	243	194
Construction in Progress	1,243	73
Capital Assets, Net	$ 93,132	$ 96,284

Additional information about the Housing Facility's capital assets is presented in the notes to the financial statements.

DEBT ADMINISTRATION

As of June 30, 2017, the Housing Facility had $93.9 million in outstanding capital improvement debt, representing a decrease of $4.6 million, or 4.7 percent, from the prior fiscal year as result of scheduled payments on the current debt.

The following table summarizes the outstanding long-term debt for the fiscal years ended June 30:

Long-Term Debt at June 30
(In Thousands)

	2017	2016
Capital Improvement Debt	$ 93,883	$ 98,485
Total	$ 93,883	$ 98,485

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, financial statements and notes thereto, or requests for additional financial information should be addressed to Christina Tant, CPA, Assistant Vice President and University Controller, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, Florida 32826-3249.

UNIVERSITY OF CENTRAL FLORIDA
CONSOLIDATED HOUSING FACILITY
STATEMENT OF NET POSITION
June 30, 2017

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 777,869
Investments	14,992,433
Accounts Receivable, Net	1,836,182
Total Current Assets	17,606,484
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	596,966
Restricted Investments	10,565,418
Depreciable Capital Assets, Net	91,888,914
Nondepreciable Capital Assets	1,242,726
Total Noncurrent Assets	104,294,024
Total Assets	121,900,508
LIABILITIES	
Current Liabilities:	
Accounts Payable	272,891
Construction Contracts Payable	41,938
Salaries and Wages Payable	347,799
Deposits Payable	251,800
Unearned Revenue	3,200,369
Long-Term Liabilities - Current Portion:	
Capital Improvement Debt Payable	4,795,000
Compensated Absences Payable	36,087
Total Current Liabilities	8,945,884
Noncurrent Liabilities:	
Capital Improvement Debt Payable	89,087,686
Compensated Absences Payable	479,437
Total Noncurrent Liabilities	89,567,123
Total Liabilities	98,513,007
NET POSITION	
Net Investment in Capital Assets	(751,046)
Restricted for Expendable:	
Debt Service	5,994
Capital Projects	11,114,452
Unrestricted	13,018,101
TOTAL NET POSITION	23,387,501
TOTAL LIABILITIES AND NET POSITION	$ 121,900,508

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 POSITION
For the Fiscal Year Ended June 30, 2017

REVENUES	
Operating Revenues:	
Housing Room Rentals and Other Revenues	$ 30,282,753
Other Operating Revenues	419,788
Total Operating Revenues	30,702,541
EXPENSES	
Operating Expenses:	
Compensation and Employee Benefits	8,660,170
Services and Supplies	4,600,799
Utilities and Communications	2,916,867
Scholarships and Fellowships	95,906
Depreciation	4,627,521
Total Operating Expenses	20,901,263
Operating Income	9,801,278
NONOPERATING REVENUES (EXPENSES)	
Investment Income	451,349
Interest on Capital Asset-Related Debt	(4,196,148)
Other Nonoperating Expenses	(1,501)
Net Nonoperating Expenses	(3,746,300)
Income Before Other Revenues, Expenses, Gains, or Losses	6,054,978
Transfers to University Departments	(5,294,434)
Increase in Net Position	760,544
Net Position, Beginning of Year	22,626,957
Net Position, End of Year	$ 23,387,501

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, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Housing Room Rentals and Other Revenues	$ 29,934,352
Other Operating Revenues	465,256
Payments to Employees	(8,605,209)
Payments to Suppliers for Goods and Services	(7,741,602)
Payments to Students for Scholarships and Fellowships	(95,906)
Net Cash Provided by Operating Activities	13,956,891
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Subsidies and Transfers	(2,772,703)
Other Expenses	(1,500)
Net Cash Used by Noncapital Financing Activities	(2,774,203)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Subsidies and Transfers	(2,519,304)
Purchase or Construction of Capital Assets	(1,467,620)
Principal Paid on Capital Debt	(4,580,000)
Interest Paid on Capital Debt	(4,218,783)
Net Cash Used by Capital and Related Financing Activities	(12,785,707)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	21,447,804
Purchase of Investments	(21,659,392)
Investment Income	366,399
Net Cash Provided by Investing Activities	154,811
Net Decrease in Cash and Cash Equivalents	(1,448,208)
Cash and Cash Equivalents, Beginning of Year	2,823,043
Cash and Cash Equivalents, End of Year	$ 1,374,835

UNIVERSITY OF CENTRAL FLORIDA
CONSOLIDATED HOUSING FACILITY
STATEMENT OF CASH FLOWS (CONTINUED)
For the Fiscal Year Ended June 30, 2017

RECONCILIATION OF OPERATING INCOME		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$	9,801,278
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities:		
Depreciation Expense		4,627,521
Change in Assets and Liabilities:		
Receivables, Net		(187,643)
Accounts Payable		(223,936)
Salaries and Wages Payable		45,859
Deposits Payable		50,300
Compensated Absences Payable		9,102
Deferred Revenue		(165,590)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	13,956,891

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES

Unrealized losses on investments were recognized as a reduction to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$	(73,573)

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. 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 consisting of thirteen 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 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 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 Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, 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 position 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 first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position 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. Cash and cash equivalents consist of cash on hand and cash in demand accounts, money market funds, and investments with original maturities of three months or less. 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 also holds $288,431 in money market funds and short-term investments. The money market funds and investments are permissible under the current investment policy; the primary portion of these investments are held in Rule 2a-7 mutual funds and securities rated AAA (or its equivalent) by a nationally recognized statistical rating organization. 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 $5,000 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 payable that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premium or discount. The Housing Facility amortizes debt premiums and discounts 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 (SBA), 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 Board of Trustees has adopted a written investment policy and manual providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the Housing Facility is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; 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; and other investments approved by the 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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the Housing Facility's recurring fair value measurements as of June 30, 2017 are valued using quoted market prices (Level 1 inputs), with the exception of corporate, municipal and other bonds, certain federal agency obligations and certificates of deposits which are valued using matrix pricing models which may consider quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable (Level 2 inputs) and investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

The Housing Facility's investments at June 30, 2017, are reported at fair value, as follows:

Investment Type	Amount	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pools:				
State Treasury Special Purpose Investment Account	$ 15,592,177	$ -	$ -	$ 15,592,177
Certificates of Deposit	27,159	-	27,159	-
United States Government and Federally-Guaranteed Obligations	1,408,205	1,408,205	-	-
Federal Agency Obligations	1,188,093	34,547	1,153,546	-
Bonds and Notes	3,713,194	-	3,713,194	-
Mutual Funds:				
Equities	3,172,355	3,172,355	-	-
Bonds	456,668	456,668	-	-
Total Housing Facility Investments	$ 25,557,851	$ 5,071,775	$ 4,893,899	$ 15,592,177

External Investment Pools.

The Housing Facility reported investments at fair value totaling $15,592,177 at June 30, 2017, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of A+f by Standard & Poor's, had an effective duration of 2.80 years and fair value factor of 0.9923 at June 30, 2017. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. 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, 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 bond mutual funds, and their future maturities at June 30, 2017, are as follows:

Housing Facility Debt Investments Maturities

		Investment Maturities (In Years)		
Investment Type	**Fair Value**	**Less Than 1**	**1-5**	**More Than 5**
United State Government and Federally Guaranteed Obligations	$ 1,408,205	$ 492,488	$ 821,557	$ 94,160
Federal Agency Obligations	1,188,093	40,067	407,141	740,885
Bonds and Notes	3,713,194	525,289	2,484,188	703,717
Mutual Funds - Bonds	456,668	28,837	229,348	198,483
Total Housing Facility	$ 6,766,160	$ 1,086,681	$ 3,942,234	$ 1,737,245

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, 2017, of the Housing Facility's debt instruments using Moody's and Standard & Poor's, nationally recognized rating agencies:

Housing Facility Debt Investments Quality Ratings

Investment Type	**Fair Value**	**AAA**	**AA**	**A**	**Less Than A or Not Rated**
Federal Agency Obligations	$ 1,188,093	$ 1,188,093	$ -	$ -	$ -
Bonds and Notes	3,713,194	1,391,077	576,665	1,669,029	76,423
Mutual Funds - Bonds	456,668	-	62,499	14,219	379,950
Total Housing Facility	$ 5,357,955	$ 2,579,170	$ 639,164	$ 1,683,248	$ 456,373

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 investment 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 Doubtful Receivables. Allowances for doubtful 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 $28,513 at June 30, 2017.

4. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2017, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Construction in Progress	$ 72,997	$ 1,419,705	$ 249,976	$ 1,242,726
Total Nondepreciable Capital Assets	$ 72,997	$ 1,419,705	$ 249,976	$ 1,242,726
Depreciable Capital Assets:				
Buildings	$ 153,416,603	$ 168,987	$ -	$ 153,585,590
Furniture and Equipment	1,337,857	138,500	180,017	1,296,340
Total Depreciable Capital Assets	154,754,460	307,487	180,017	154,881,930
Less, Accumulated Depreciation:				
Buildings	57,399,260	4,540,726	-	61,939,986
Furniture and Equipment	1,143,823	86,795	177,588	1,053,030
Total Accumulated Depreciation	58,543,083	4,627,521	177,588	62,993,016
Total Depreciable Capital Assets, Net	$ 96,211,377	$ (4,320,034)	$ 2,429	$ 91,888,914

5. LONG-TERM LIABILITIES

Long-term liabilities for the Housing Facility at June 30, 2017, include capital improvement debt payable and compensated absences payable. Long-term liabilities activity for the fiscal year ended June 30, 2017, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$ 98,485,321	$ -	$ 4,602,635	$ 93,882,686	$ 4,795,000
Compensated Absences Payable	506,422	38,858	29,756	515,524	36,087
Total Long-Term Liabilities	$ 98,991,743	$ 38,858	$ 4,632,391	$ 94,398,210	$ 4,831,087

Capital Improvement Debt Payable. The Housing Facility had the following capital improvement debt payable outstanding at June 30, 2017:

Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Auxiliary Revenue Bonds:				
2002 - Housing	$ 14,055,000	$ 4,552,076	4.2 to 4.5	2021
2007A - Housing	38,780,000	26,861,027	4.625 to 5.500	2030
2012A - Housing	66,640,000	62,469,583	3.0 to 5.0	2042
Total Capital Improvement Debt	$ 119,475,000	$ 93,882,686		

Note: (1) Amount outstanding includes unamortized discounts and premiums.

The Housing Facility has pledged a portion of future housing rental revenues based on credit hours to repay $119,475,000 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. The bonds are payable solely from housing revenues and are payable through 2042. 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. Total principal and interest remaining on the debt is $131,895,904. Principal and interest paid for the current year totaled $8,789,511. During the 2016-17 fiscal year, operating revenues generated primarily from housing rental revenues totaled $30,648,841.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2017, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2018	$ 4,795,000	$ 3,987,331	$ 8,782,331
2019	5,040,000	3,743,466	8,783,466
2020	5,290,000	3,488,368	8,778,368
2021	5,560,000	3,218,856	8,778,856
2022	4,545,000	2,964,138	7,509,138
2023-2027	26,210,000	11,316,632	37,526,632
2028-2032	19,585,000	6,147,125	25,732,125
2033-2037	9,475,000	3,528,194	13,003,194
2038-2042	11,715,000	1,286,794	13,001,794
Subtotal	92,215,000	39,680,904	131,895,904
Plus: Net Bond Discounts and Premiums	1,667,686	-	1,667,686
Total	$ 93,882,686	$ 39,680,904	$ 133,563,590

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, 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, 2017, the estimated liability for compensated absences, which includes the Housing Facility's share of the Florida Retirement System and FICA contributions, totaled $515,524. The current portion of the compensated absences liability, $36,087, 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 liability.

6. CONSTRUCTION COMMITMENTS

The University's construction commitments for the Housing Facility at June 30, 2017, are as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Sumter Hall Roof Project	$ 445,408	$ 183,963	$ 261,445
Other Projects (1)	1,067,313	1,058,763	8,550
Total	$ 1,512,721	$ 1,242,726	$ 269,995

Note: (1) Individual projects with current balance committed of less than $250,000 at June 30, 2017.

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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 $23,255,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2018A (the "Bonds"). This Disclosure Agreement is being executed and delivered pursuant to the section 5.03 of the resolution adopted by the Governor and Cabinet, as the Governing Board of the Division, on June 14, 2017, authorizing the issuance of the Bonds. 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, to be provided by the Rule or the Division. The Division will be responsible for the filing of the information required by the Rule.

(1) Financial Information and Operating Data. For fiscal years ending on June 30, 2017 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 _________, 2018.

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]

March 15, 2018

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:

$23,255,000
STATE OF FLORIDA
BOARD OF GOVERNORS
UNIVERSITY OF CENTRAL FLORIDA
DORMITORY REVENUE REFUNDING BONDS, SERIES 2018A
Dated March 15, 2018
(the "2018A Bonds")

The 2018A Bonds are being issued by the Division of Bond Finance in the name of and on behalf of the Board for the purpose of refunding certain outstanding Bonds for the State of Florida, 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 and paying certain costs associated with the issuance of the 2018A 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 2018A 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 Outstanding Parity Bonds (as defined in the hereinafter defined Resolution), and any Additional Parity Bonds hereafter issued (as defined in the hereinafter defined Resolution).

The 2018A 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 2018A 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 2018A Bonds pursuant to the Constitution and statutes of the State of Florida and pursuant to resolutions authorizing the issuance and sale of the 2018A 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, January 18, 2012, and June 14, 2017 (collectively, the "Resolution"), and a resolution of the Board adopted March 24, 2011.

2. The 2018A 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 2018A 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 2018A Bonds in order that interest on the 2018A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2018A Bonds to be included in federal gross income retroactive to the date of issuance of the 2018A 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 2018A Bonds.

Subject to compliance by the Division of Bond Finance and the Board with the aforementioned covenants, (a) interest on the 2018A Bonds is excluded from gross income for purposes of federal income taxation, and (b) interest on the 2018A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2018A Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. 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 2018A Bonds.

It is to be understood that the rights of the owners of the 2018A 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 2018A 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 2018A Bonds and we express no opinion herein relating thereto.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2018A Bonds. The 2018A 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 2018A 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 a Standard & Poor's rating of AA+. 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**.

Purchases of the 2018A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018A 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 2018A 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 2018A Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all 2018A 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 2018A 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 2018A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018A 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 2018A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2018A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2018A Bond documents. For example, Beneficial Owners of 2018A Bonds may wish to ascertain that the nominee holding the 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the 2018A Bonds.

For every transfer and exchange of beneficial interests in the 2018A 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 2018A Bonds, references herein to the Registered Owners or Holders of the 2018A Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the 2018A Bonds unless the context requires otherwise.

The Division, the Board of Governors 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 2018A 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 2018A 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 2018A Bonds, or the purchase price of, any 2018A 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 2018A Bonds for partial redemption.

So long as the 2018A Bonds are held in book-entry only form, the Division, the Board of Governors 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 2018A Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of, premium, if any, and interest on the 2018A Bonds;

(ii) giving notices of redemption and other matters with respect to the 2018A Bonds;

(iii) registering transfers with respect to the 2018A Bonds; and

(iv) the selection of the beneficial ownership interests in the 2018A 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 of Governors and the Bond Registrar/Paying Agent may treat the Registered Owner of any 2018A Bond as the absolute owner for all purposes, whether or not such 2018A Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the 2018A Bonds will be payable upon presentation and surrender of the 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any 2018A Bonds on the Record Date.

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