

**Revised Minutes
Special Board of Trustees' Meeting
Telephone Conference Call
University of Central Florida
August 25, 2005**

Chair Richard Nunis called the meeting of the Board of Trustees to order in the President's Board Room located in Millican Hall on the University of Central Florida campus at 1:00 p.m. The following members attended the meeting in person:

The Honorable Judy Albertson
The Honorable Olga Calvet

The Honorable Phyllis Klock

The following members attended the meeting via telephone conference call:

The Honorable Willie Bentley, Jr.
The Honorable Manoj Chopra
The Honorable Patrick Christiansen
The Honorable Hector Perez

The Honorable Conrad Santiago
The Honorable Harris Rosen
The Honorable Al Weiss
The Honorable Thomas Yochum

Chair Nunis welcomed the board members and guests and called upon Beth Barnes, Associate Corporate Secretary, to call roll. She announced that a quorum was present.

REMARKS

Scott Cole, General Counsel, introduced the purpose of the meeting, which was to discuss the UCF Convocation Corporation, a single purpose corporation and direct support organization of the university that was formed to construct a new convocation center and associated retail and parking, renovate the existing UCF Arena, and construct and install related infrastructure on the university campus.

In order to finance the convocation center project, the university and the UCF Convocation Corporation need to enter into a support agreement that describes the support that the university will provide for the project. The university must also sublease to the UCF Property Corporation the land upon which the project will be sited. The attached resolution (Attachment A) approves the convocation center project, authorizing the UCF Convocation Corporation and the UCF Property Corporation to enter into a lease purchase agreement, authorizing the issuance of certificates of participation, and authorizing the president or his designee to execute the UCF support agreement and ground lease agreement.

Attorney Kenneth R. Artin of Bryan, Miller & Olive, P.A., was present to discuss the resolution, the ground lease agreement, and the support agreement. Senior Vice President and Regional Manager, Jeffrey T. Larson, of Kirkpatrick Pettis, was present to discuss the detailed financial documents of the project.

During an extensive, substantive discussion lasting over an hour, Trustee Christiansen raised the question of signing a support agreement with no expiration date other than the maturity date of the certificates of participation. Larson indicated that the bond insurer presented UCF's finance team with two options: 1) burn off the support agreement for a premium of 250 basis points or 2) keep the support agreement in place through the term of the 2005 certificates, thirty years, for a premium of 125 basis points. The recommended support agreement with no burn-off, costing 125 basis points, saves UCF \$2.6 million in the up-front insurance premium. For clarification purposes, Trustee Christiansen said that if we want to get out of the agreement prior to the end of the term, we would have to prepay the bonds. Merck concurred that the only option is to refund or refinance the certificates of participation.

Trustee Christiansen then raised the question of whether this agreement places limits or restrictions on what we can do with other deals. Cole indicated that if we want to take on other projects with a similar support agreement, UCF would have to meet the anti-dilution test, which means that we must have on hand legally available revenues equal to a minimum of two times the amount pledged in the support agreements. With this financing, we are pledging a cap of \$7,500,000 (the debt service reserve fund), which means that the current minimum legally available funds on hand must be \$15,000,000.

Artin clarified that the university is not legally obligated to pay \$7.5 million every year. It would be obligated to make a payment only in the event that there is a draw on the reserve account. Trustee Christiansen further clarified that the university's obligation is to replenish the reserve fund. Artin agreed.

BUSINESS MEETING

FIN-1 – Convocation Center Financing – A motion passed authorizing the execution of the University of Central Florida Board of Trustees' resolution regarding the lease-purchase of the 2005 project by the UCF Convocation Corporation (Attachment A). That resolution would also authorize the issuance of certificates of participation and authorize the president or his designee to execute the UCF ground lease and revised support agreement.

A roll call vote was taken with the following results:

Chairman Richard Nunis – Yes
Vice Chair Thomas Yochum – Yes
Trustee Judy Albertson – Yes
Trustee Willie Bentley – Yes
Trustee Olga Calvet – Yes
Trustee Manoj Chopra – Yes
Trustee Patrick Christiansen – Yes
Trustee Phyllis Klock – Yes
Trustee Tico Perez - Yes
Trustee Al Weiss – Yes
Trustee Richard Walsh – Yes

Absent from the roll call vote were Trustee Santiago and Trustee Rosen.

ANNOUNCEMENTS AND ADJOURNMENT

Beth Barnes, Associate Corporate Secretary, announced that the Board of Governors' meeting will be held at the UCF campus on September 14-15, 2005. The university will host a dinner for the Board of Governors the evening of September 14.

Chairman Nunis adjourned the special conference call meeting at 2:20 p.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary