

**USF FINANCING CORPORATION**

**MINUTES OF SPECIAL MEETING**

**BOARD OF DIRECTORS**

**MARCH 25, 2019**

A special meeting of the Board of Directors of the USF Financing Corporation was held on March 25, 2019 at the University of South Florida, 4202 E. Fowler Avenue, CGS 455, Tampa, Florida, pursuant to the Corporation's Bylaws, for the purpose of authorizing a mortgage loan and related agreements, and for the transaction of any other business that may properly come before the Board.

The meeting was held pursuant to Notice duly provided on March 18, 2019. A copy of the meeting Notice is attached to these minutes.

The meeting was called to order by

Nominate and Elect Acting  
Chair

Director Lechner nominated Director Smith to serve as Acting Chair of the Board of Directors of the USF Financing Corporation for this meeting only. He asked if there were any other nominations. Hearing none, he asked for a motion to elect Director Smith to serve as Acting Chair of the Board of Directors of the USF Financing Corporation, for this meeting only. The motion was duly made and seconded, and unanimously approved.

Public Comments Subject  
to Procedure for  
Appearances before the  
Board of Directors

Chair Smith asked Mr. Stubbs if, under the Procedure for Appearances before the Board of Directors, any party had requested to appear before the Board. Mr. Stubbs stated that no notices requesting appearance before the Board were received in advance of the meeting.

Resolution: Authorize  
Mortgage Loan and Related  
Agreements

Chair Smith asked Mr. Stubbs to introduce the resolution. Mr. Stubbs stated that on March 5, 2019, the USF Board of Trustees authorized the assumption of the subleasehold interest and acquisition of building improvements from the University Diagnostic Institute (“UDI”) by the USF Financing Corporation. This resolution authorizes a loan in an amount not to exceed \$3.6 million for the purpose of the acquisition of real property, execution and delivery of a master lease agreement, consenting to the execution and delivery of an assignment and assumption of ground sublease and building purchase agreement, execution and delivery of an assignment of sublease, and delegating authority to the Executive Director as provided. Mr. Stubbs explained that upon acquiring the premises and building from UDI Real Estate Limited Partnership, the Corporation would then master lease the premises and building to the USF Research Foundation (“USFRF”). USFRF would then sublease the building back to UDI for

a period of five years. Mr. Stubbs noted the intent of the purchase from the perspective of the Board of Trustees is that once the mortgage is paid off, the premises and building will be transferred to USFRF.

Mr. Stubbs stated that the University and the Corporation have determined that the most appropriate way to finance the acquisition of the building is to obtain a conventional mortgage loan from a financial institution. He also noted that pursuant to Florida Statutes 1010.62, direct support organizations may issue promissory notes and grant conventional mortgages for the acquisition of real property without the approval of the Florida Board of Governors.

Mr. Stubbs stated that a request for proposal was issued to 12 commercial banks, five of which responded with proposals. As none of the proposals completely met the terms of the RFP, the Corporation will begin negotiations with the proposing banks.

Director Lechner clarified that while the agreed upon purchase price of \$3.6 million is closer to the higher of the two appraisals, one at \$3.8 million and one at \$3.0 million, we also negotiated a higher cost per square foot lease payment that will service the debt payments.

Chair Smith asked if there were any other questions from the Board. Hearing none, Chair Smith requested a motion to authorize the mortgage loan in an amount not to exceed \$3.6 million for the purpose of the acquisition of real property, execution and delivery of a master lease agreement, consenting to the execution and delivery of an assignment and assumption of ground sublease and building purchase agreement, execution and delivery of an assignment of

sublease, and delegating authority to the Executive Director as provided. The motion was duly made and seconded, and the following was unanimously approved:

**RESOLVED**, Resolution FC 03-25-19A, which each director has read, is hereby adopted and the secretary is hereby ordered to attach a copy of the aforesaid resolution to the minutes of the meeting.

April, followed by USF Board of Trustees approval in June, and then to the Florida Board of Governors for approval in October. Once the BOT provides project approval in June, the Corporation will prepare the BOG approval binder and submit at least 90 days prior to the October BOG meeting.

Mr. Stubbs stated that the USF Sarasota-Manatee (USFSM) Housing Project is still in its planning stage. A demand study was issued and indicated that there is demand for 100 beds. Typically, a minimum sized project like this should have at least 200 beds. USFSM is currently negotiating with New College of Florida on a ten year lease for 75 beds. At this time, the tentative schedule is Corporation approval in July 2019, BOT approval in August, BOG approval in March 2020, and an opening date of July 2021.

Mr. Stubbs asked the Board if there were any questions.

Hearing no questions and no additional items for the Board's consideration, Chair Smith thanked the Board's directors for attending this special meeting.

There being no further business to come before the Board, the meeting was adjourned on motion duly made and carried at 9:35 a.m.

---

Richard D. Smith, Acting Chair

---

Richard D. Smith, Secretary / Treasurer

Adjournment