

**USF FINANCING CORPORATION**  
**MINUTES OF ANNUAL MEETING**  
**BOARD OF DIRECTORS**  
**NOVEMBER 7, 2006**

A meeting of the Board of Directors of the USF Financing Corporation was held on November 7, 2006 following the adjournment of the USF Property Corporation meeting, which began at noon, at the University of South Florida, 4202 East Fowler Avenue, ADM-296, in Tampa, Florida for the purpose of discussing corporate operations and for the transaction of any other business that may properly come before the meeting.

Call to Order

The meeting was held pursuant to Notice duly provided on October 30, 2006. Copies of the Call of Meeting and Notice were attached to these minutes by the Secretary. The meeting was called to order at 1:00 p.m. by Chair Michael Griffin.

The following Directors, who constitute a quorum of the Board of Directors, were present:

Dr. Carl Carlucci  
Mr. Michael Griffin (via telephone)  
Mr. Cliff Walters  
Ms. Jill Joyce  
Ms. Brigid Merenda

The following persons were also present at the meeting:

Mr. Fell Stubbs, Executive Director  
Mr. Eric Walden, University Treasurer  
Mr. Nick Trivunovich, University Controller  
Ms. Trudie Frecker, Associate VP, University Services

Ms. Sheila Holbrook, Corporate Secretary  
Ms. Yvonne Brooks, Administrative Assistant  
Ms. Dawn McManus, Accountant  
Mr. Henry Lavandera, Associate General Counsel

As with the Property Corporation meeting, Mr. Cliff Walters continued as Acting Secretary for this meeting.

Approval of  
Minutes of June  
21, 2006 Meeting

The minutes of the meeting held on June 21, 2006 had been distributed on November 3, 2006. The question was asked, the motion made and seconded, and the minutes of the meeting were approved by the Directors in attendance.

Ratification of Acts and  
Transactions of Officers  
and Directors of the  
Corporation

The first order of business was the ratification of acts and transactions of Officers and Directors of the Corporation. Mr. Stubbs also specifically requested that the Bank of New York be confirmed as custodian for the Corporation.

**WHEREAS**, since the date of the last meeting of the Board of Directors, acts and transactions have been entered into on behalf of the Corporation by the Officers and Directors of the Corporation.

**WHEREAS**, since all of the actions and transactions may not have been reflected in the Corporate Minute Book of the Corporation, it is desirable that the Board confirm and ratify the actions of the Officers and Directors by appropriate ratification or resolution.

**NOW, THEREFORE, BE IT RESOLVED**, that all of the activities, obligations and transactions as they have been taken or made by the Officers or Directors of the Corporation since the date of the Corporation's inception be and they are hereby ratified and affirmed as authorized actions of the Corporation.

The question was asked, the motion made and seconded and the resolution was approved unanimously.

The next order of business was the approval of the Corporation's 2006 audited financial statements. The Board was provided with a copy of the Audited Financial Statements as of June 30, 2006, prepared by Ernst & Young LLP and dated September 1, 2006. A resolution was put before the Board to approve the Audited Financial Statements.

**WHEREAS**, the financial records of the Corporation have been audited by the independent accounting firm, Ernst & Young, and

**WHEREAS**, Ernst & Young have provided draft audited financial statements for review by the Board, and

**WHEREAS**, it is the consensus of the Board that the overview by the Corporation's Executive Director of the draft audited financial statements was well done and a further presentation with respect to the financial statements is not required.

**NOW THEREFORE, BE IT RESOLVED** that the draft Audited Financial Statements of the Corporation are approved as presented.

The question was asked, the motion made and seconded and the resolution was approved unanimously.

The next item of business was the adoption of the following revised financial policies: USF Debt Management Policy, USF Derivatives Policy, and the USF Investment Policy. All three Policies were previously approved by the Finance Counsel and by the Financing Corporation at its June 21, 2006 meeting.

Upon a motion duly made, seconded and carried, the Board of Directors adopted the following:

**WHEREAS**, the Financing Corporation's Bylaws list one of Financing Corporation's organizational purposes as providing support to the activities and educational purposes of the University of South Florida Board of Trustees, a public body corporate ("USF"); and

**WHEREAS**, the Financing Corporation approved at its June 21, 2006, meeting the adoption of the following documents entitled "USF Debt Management Policy," "USF Derivatives Policy," and "USF Investment Policy" as policies of the Property Corporation.

**WHEREAS**, the USF Board of Trustees approved revisions to the above entitled documents and recommended the Financing Corporation adopt the revised documents to assist in providing guidance in certain financial transactions.

**NOW THEREFORE BE IT RESOLVED**, that the Financing Corporation adopts the following revised documents entitled "USF Debt Management Policy," "USF Derivatives Policy," and "USF Investment Policy" as policies of the Financing Corporation.

The next item of business was the consideration of a resolution to authorize creation of an Investment Committee of the Corporation and the appointment of an Investment Committee Chair. A transition plan with recommendations for investment guidelines was distributed to the Board on September 13, 2006. Included was a call for expressions of interest in serving on the Committee, to which a number of Board members expressed an interest. The Investment Committee will consider appropriate investment structures and investment managers and provide recommendations to the Board.

Authorize Creation of  
Investment Committee  
and Appointing  
Investment Committee  
Chair

Dr. Carlucci asked Mr. Stubbs to clarify the actions of the Investment Committee concerning its \$90 million in investments. Mr. Stubbs responded that these funds are currently invested in a AAA-rated money market account, consistent with the permitted investment requirements in the trust agreements. Dr. Carlucci stated that the Corporation has significant funds in its possession and should provide thoughtful oversight. He stated that he wants the Board to understand what the proposed Investment Committee will be doing. Mr. Stubbs will chair the committee, though he will be a non-voting member. Mike Griffin, Jill Joyce, and Dr. Carlucci have all expressed interest in serving on this Committee.

**RESOLVED**, Resolution FC11-07D, 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 this meeting.

The next order of business was the adoption of an Investment Policy Statement and Investment Guidelines which were distributed on September 13, 2006. Mr. Stubbs stated that the Policy Statement was prepared pursuant to the Investment Policy adopted at the June 21, 2006 meeting. The Policy Statement declares that the type of funds held by the Corporation are 100% short term funds. The Corporation will hold a minimum 10% balance in money market funds at all times.

**RESOLVED**, Resolution FC11-07E, 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 this meeting.

Review Status of  
Financing Transactions  
and Construction  
Projects

The next order of business was the review of the status of financing transactions and construction projects. Mr. Stubbs stated that there will be new bond programs in the future. The Derivatives Exposure Report was disclosed on June 30, 2006 which discloses the swap programs during the year.

Other Business

Chair Griffin stated that Jerry Hasara submitted his resignation from the Board and asked for a motion to accept the resignation. The question was asked, the motion made and seconded, and the resignation was accepted.

Adjournment

There being no further business to come before the Board, the meeting was adjourned on motion duly made and carried at 1:35 P.M.



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Michael Griffin, Chairperson



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Cliff Walters, Acting Secretary