

USF FINANCING CORPORATION
MINUTES OF SPECIAL MEETING
BOARD OF DIRECTORS

April 30, 2024

The special meeting of the Board of Directors of the USF Financing Corporation was held on April 30, 2024 at the University of South Florida, 4202 E. Fowler Avenue, CGS 402, Tampa, Florida, pursuant to the Corporation's Bylaws, for the purpose of discussing corporate operations 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 April 24, 2024. A copy of the meeting Notice is attached to these minutes.

Chair Simmons thanked Mr. Stubbs for his thoughtful transition to Ms. Rodriguez as Ms. Rodriguez is assuming her role as Executive Director at this meeting. The meeting was called to order by Chair Simmons at 12:12 p.m. once a quorum was present.

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

Ms. Erin S. Aebel
Mr. Andrew J. Mayts
Ms. Linda O. Simmons
Mr. Jose E. Valiente
Ms. Jennifer Condon (by phone)

The following individuals were also present at the meeting:

Ms. Dawn M. Rodriguez, Executive Director
Mr. Fell L. Stubbs, Special Advisor
Ms. Hilary Black, Senior Associate General Counsel
Ms. Virginia L. Kalil, Chief Internal Auditor
Ms. Jennifer Dent, Assistant Director

Call to Order and
Roll Call

Ms. Mary K. Benton, Assistant Director
Mr. Alec Lichter, Accountant

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

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

Approval of Minutes

The minutes of the November 7, 2023 annual meeting were distributed on April 24, 2024. Chair Simmons called for any corrections to the minutes. Hearing none, she asked for a motion to approve the minutes as distributed. The motion was duly made, seconded and approved unanimously.

Resolution: Appoint
Independent Auditor

Chair Simmons asked Ms. Rodriguez to introduce the resolution. Ms. Rodriguez presented Resolution No. FC 04-30-24A for the annual engagement of an independent auditor. The Corporation Bylaws, as well as Section 1004.28 of the Florida Statutes, require that the Corporation engage an independent CPA firm to audit its accounts and records. Ms. Rodriguez, as Executive Director of the Corporation, stated that the entire Board acts as the audit committee for the Corporation, and she recommends the engagement of KPMG LLP to conduct the audit for fiscal year 2024. KPMG has audited the Corporation for 10 years starting in FY 2014 with a fee of \$60,000 after being selected through a competitive process. Ms. Rodriguez noted that it is important for the Corporation to utilize a “Big Four” accounting firm such as KPMG to lend credibility in the capital markets. Furthermore, KPMG has provided first class audits in the years past and is familiar with the complex nature of the Corporation’s transactions. KPMG provided an engagement letter with a negotiated fee commitment of \$81,000 for FY 2024. The FY 2024 fee increased from \$74,970 in

FY 2023. Ms. Rodriguez stated that the fee is competitive within the market for other “Big Four” audits.

Chair Simmons asked if there were any questions from the Board. Hearing none, she requested a motion to appoint KPMG LLP as auditor of the Corporation. The motion was duly made and seconded, and the following was unanimously approved:

RESOLVED, Resolution FC 04-30-24A, 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.

Chair Simmons asked Ms. Rodriguez to introduce the next resolution. Ms. Rodriguez presented Resolution No. FC-04-30-24B and stated that the Board was provided with a copy of the FY 2025 Financial Plan on April 24, 2024. The Financial Plan will be presented to the USF Board of Trustees Finance Committee on May 21, 2024. Ms. Rodriguez stated that the Corporation’s statutory mission is to support the University as its financing arm and is expected to provide low cost, low risk, long-term financing for the University’s major capital projects. She reviewed the Corporation’s Key Initiatives that will materially impact the Corporation in FY 2025:

- (1) Finance, develop and manage new and existing capital projects:
 - i. \$340 million Stadium project: The Corporation will work closely with the University and construction manager to ensure that the Project is delivered on time and on budget, while managing operating and financial risks.
 - ii. \$46.5 million Sarasota-Manatee Housing and Student Center project: The Corporation will continue to work closely with the University

Resolution: Approve
Corporation FY 2025
Financial Plan

and the design-builder to ensure that the 100,000 square-foot, 200-bed Housing and Student Center Project is delivered on time and on budget.

iii. Pending Project: Argos redevelopment: The University is considering a major redevelopment of the Argos student housing community on the Tampa campus. The Corporation will assist the University in assessing financial feasibility, impact on USF Housing System's "A+" credit ratings, and impact on University debt capacity, engage investment bankers, bond counsel and disclosure counsel to provide guidance on debt structure, and provide disclosures to the Board of Directors, Board of Trustees, rating agencies, Division of Bond Finance and the Board of Governors.

- (2) Extend the Series 2012B Direct Placement Facility with Wells Fargo Bank: The Corporation is negotiating an extension of the \$46.3 million outstanding Series 2012B direct placement with Wells Fargo Bank in advance of maturity in October 2024.
- (3) Protect USF's "AA" credit ratings: The Corporation will make annual presentations to Moody's and Standard & Poor's.
- (4) Ongoing oversight of DSOs and Auxiliaries to ensure maintenance of pledged revenues, debt services coverage ratios and reserves.
- (5) Ongoing compliance with debt covenants including IRS rules on tax exempt bonds and required SEC reporting.
- (6) Wind-up and dissolution of INTO USF, Inc.: Litigation is ongoing.

Ms. Rodriguez also reviewed the Corporation's actions to minimize operating risks:

- (1) Closely monitoring current market conditions, actively managing exposure to operational risks and financial performance of debt programs, interest rate swap, and University auxiliaries or DSOs.
- (2) The Corporation continues to maintain strong liquidity and operating cash flows that will fully cover debt service payments.

Ms. Rodriguez noted that the Corporation's long-term goal beyond FY 2025 is to continue to work with the University and campus leaders to assist with structuring new debt programs or restructure existing programs to meet their needs.

She reviewed the Income Statement, Statement of Cash Flows and 5-Year Forecast included in the FY 2025 Annual Financial Plan.

Mr. Valiente asked why the Stadium Escrow investment interest earnings were not included in the interest income of the Income Statement. Ms. Rodriguez stated that these earnings are project-related and as such are recorded as a payable to USF instead of interest income for accounting purposes. However, the investment earnings are reflected on the Statement of Cash Flows.

Mr. Mayts asked what portion of the Athletics revenues are pledged for the Stadium debt. Ms. Rodriguez stated that all Athletics revenues are pledged in the loan agreement with Truist bank for the Series 2023 Stadium Note on parity with the Series 2018A & Series 2018B Athletics Notes that were issued to finance the existing Athletics District.

Chair Simmons asked if there were any questions from the Board. Hearing no other questions, Chair Simmons requested a motion to approve the Corporation's

Fiscal Year 2025 Financial Plan as presented. The motion was duly made and seconded, and the following was unanimously approved:

RESOLVED, Resolution FC 04-30-24B, 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.

Internal Audit
Update

Chair Simmons asked Ms. Virginia Kalil to provide the internal audit update. Ms. Kalil stated that USF's Internal Audit department conducted a DSO IT Governance Audit in which the Corporation was audited. The Corporation utilizes USF Information Technology (USF IT) for technology services and their IT Governance structure. The audit reports have been received and there were no findings for the Corporation. It was recommended that terms and conditions be set, documented, and periodically reviewed between the Corporation and USF IT for technology services provided. Confirmation of the presence of a formalized IT Governance Structure will be added to the Annual Certification process for all USF DSOs.

Chair Simmons asked for questions from the Board regarding the information presented on the internal audit update. Hearing none, she thanked Ms. Kalil for her report.

INTO USF Update

Chair Simmons asked Ms. Black to present her report on INTO USF. Ms. Black provided an update on the INTO USF litigation. The wind-up and dissolution of INTO USF, Inc. is ongoing. Ms. Black will continue to update the Board as the litigation progresses.

Chair Simmons asked for questions from the Board regarding the information presented on INTO USF. Hearing none, she thanked Ms. Black for the report on INTO USF.

Other Business

Chair Simmons asked if there were any other items for the Board's consideration. Ms. Rodriguez disclosed the following items:

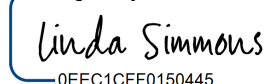
- (1) USF closed on the sale of its EBS Licenses to T-Mobile on April 23. \$25 million of proceeds will be deposited to the Stadium project fund and contributes to the University equity funds for the project.
- (2) We are negotiating an extension or replacement of the \$46.3 million outstanding Series 2012B direct placement that is currently held with Wells Fargo bank in advance of maturity in October 2024. It is expected that there will be a need for a special board meeting to approve the transaction in the coming months.
- (3) USF Sarasota-Manatee Housing and Student Center building is expecting completion in May 2024 with Grand Opening slated for August 23, 2024.
- (4) USF recently announced a groundbreaking ceremony for the stadium and will be held during Homecoming Week of October 14-19, 2024. More information to follow.

Chair Simmons asked if there were any comments or questions from the Board. Hearing none, she asked for a motion to adjourn.

Adjournment

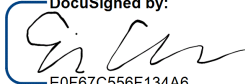
There being no further business to come before the Board, the meeting was adjourned on motion duly made and carried at 12:54 p.m.

Signed by:


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Linda O. Simmons, Chair

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11/26/2024 | 09:34 EST

Erin S. Aebel, Secretary/Treasurer