

| Ref. No. | Issue Summary | Option A | Option B | Option C | Board staff preliminary position | Division of Bond Finance | Universities Supporting Option A | Universities Supporting Option B | Universities Supporting Option C | Comments | Lead | Universt Vote Missng |
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| 1 | Term of Lease | 40 Years | A 40-year term is the expectation; however, the Board may consider a longer term if appropriate justification is provided, but in no event to exceed a 50-year term. | The term of any lease associated with the Project "will be for a term not in excess of 99 years or the life expectancy of the permanent facilities constructed thereon, whichever is shorter" with the expectation of an engineering report for any Project with a proposed useful life of | B | A | | | FAU,FSU,UF, USF,UWF, FGCU,FPU, UCF, NCF,UNF, FIU, FAMU | All universities agree with option C, with the board considering a longer term with appropriate justification. Justification would include demonstrating that projected revenues match debt service requirements and an engineering report regarding the useful life of the project. We note that a shorter term lease may in some cases require increases in rates to students. | USF | |
| 2 | Maximum Term of Project Debt | 30 years | Permanent debt with terms of 30 years or less after the construction period is the expectation; however, the Board may consider a longer debt term when justified. | 40 years | B | B | | | FSU, UF,FAU, FIU,FPU,NCF,UNF, UCF,UWF, FAMU, USF, FGCU | All universities agree with option C with the board considering a longer term with appropriate justification. All universities believe that flexibility balanced with the university's risk tolerance are key to a successful P3 project. USF commented in a debt/equity situation that the private entity should have the flexibility to determine their own debt terms. Increases in cost result from unnecessarily restrictive or commercially infeasible provisions so it is important not to eliminate the universities' ability to propose terms with appropriate support and to preserve the BOG's ability and willingness to consider the soundness of each proposal. Additionally, as noted above, term length affects the rates to students. | USF | |
| 3 | No deferral of debt past construction period (Amortization of principal should be scheduled within 6 months of project Certificate of Occupancy) | Exceptions require justification and BOG approval. | | Not required. Repayment of Principal may be extended. | A | A | | | FSU, UNF, USF, UWF, FIU, FAU, FPU, NCF, UCF, UF, FAMU, FGCU | The universities selected Option C in order to account for the variability in financing models for P3 projects. | USF | |
| 4 | On Campus | BOG approval required for P3s | | | A | A | FIU, FPU, FSU, NCF, UF, USF, UWF, UNF, UCF, FAMU, FAU, FGCU | | | The definition of P3 is central. All universities agree with "A" if the definition of P3 is appropriately tailored. BOG approval should be reserved for projects materially impacting or likely to materially impact on a university's debt rating. The definition appears to have been expanded to include any project on a university campus regardless of revenue stream, type of project or impact on debt rating. Not all on campus projects need BOG approval. Projects among only the university and university-affiliated entities should not require approval. For this reason, university-affiliated entities should not be defined as "Private Parties" triggering the P3 guidelines. See Items 12 and 13. | UF | |

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| 5 | Adjacent Property | Board approval required for P3s | "Adjacent" is better defined as "Under university jurisdiction" See Issue No. 7 | Board approval not required for P3s. | B | B | | | FAU, FSU, UCF, UWF, FAMU, FIU, FPU, NCF, UNF, USF, FGCU, UF | The universities support Option C unless the P3 project is likely to have a material impact on a university or DSO debt rating, in which event approval would need to be sought. UF proposes this compromise on "university jurisdiction" (which, per #10, should bring most universities into agreement): Guidelines should apply to projects on campus (defined as per BOG Reg. 8.009), except as noted in #4, and also apply to off campus projects directly undertaken by a university or DSO on university- or state-directly-owned land. Guidelines should not apply as noted in UF exclusion (e)--where a properly formed, insulating, separate affiliate such as an LLC (whose manager or controlling equity, membership, or board interest is held by a university, DSO and/or other university affiliate) (1) will directly repay debt or construct project wherever it is (same as the University/DSO exclusion); or (2) is entering the transaction with the Private Party off campus on land not directly owned by the university or state/leased to university-- and if the land is owned by a university-controlled entity, it is not immediately adjacent or across a normal public way from the campus. The liability of a capitalized LLC (e.g., one owning the land) is limited to its assets--and does not extend to a univ.'s or DSO's assets; and if off campus and not immediately adjacent to or across a normal public way from campus, the univ. should not be compelled to step in and bond rating should not be impaired. | UF | |
| 6 | What approval is required to lease land under University jurisdiction? | BOT approval required by s. 1013.171; BOG approval required for any P3s as defined. | | | A | A | FIU, FPU, FSU, NCF, UF, UNF, UWF, UCF, FAMU, FGCU, USF, FAU | | | Under current law, universities have authority to enter into ground leases. Definition of P3 is central. | UCF | |
| 7 | What approval is required to purchase or lease-purchase land or buildings not under University jurisdiction? | Not a P3 as defined; follow s. 1010.62 if using a debt mechanism. | | | A | A | FIU, FAU, FPU, FSU, NCF, UCF, UF, UNF, USF, UWF, FAMU, FGCU | | | | UCF | |
| 8 | What if the land is owned by a university DSO, or governmental agency at federal, state, county or municipal level? | | A University may obtain a long-term lease for land. Once the land is under university jurisdiction, it then must follow either the P3 guidelines, or Debt Management guidelines (if the university is responsible for the debt), in order to construct a facility. The lease term must be a minimum of 40 years; and must cover the entire expected useful life of | | B | B | | FAU, FIU, FPU, NCF, UCF, UNF, UWF, UF, FAMU, FSU, FCGU, USF | | | FSU | |
| 9 | Off Campus (other than adjacent) | | | P3 Guidelines are not applicable to land not under university jurisdiction. | C | C | | | FAU, FIU, FPU, FSU, NCF, UCF, UF, UNF, USF, UWF, FAMU, FGCU | The term university jurisdiction needs to be clarified to bring it in line with Items 4, 5 and 10. | FSU | |

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| 10 | Limited Liability Company's (LLC) | P3 Guidelines apply to University OR DSO controlled LLCs. If a university, DSO or LLC conveys a real property interest that is intended to result in construction of a facility that will serve a university use, this requires BOG approval. | The Board could grandfather in existing University-controlled LLCs | University or DSO-controlled LLCs should be able to engage in P3 projects outside of the P3 Guidelines. | A | A | | | UCF, FSU, UF, UNF, USF, UWF, FAMU, FIU, FPU, FGCU, FAU, NCF | The universities support Option C unless the P3 project is likely to have a material impact on the university's or DSO's debt rating, in which event approval would need to be sought. Item 10 is similar to #5. An on-campus project meeting the definition of "Facility" (and "Project" with a "Private Party") as agreed upon, is subject to the guidelines; others are not. Univs nationally frequently engage in economic development in communities; this is good for FL. If a univ. facilitates a project off campus, whether adjacent or not, for economic development and the univ. is not at risk for the project, then it should not be subject to the guidelines. LLCs are prudent, routine insulating structures that ensure non-project-related assets are not at risk. If a univ. or in-family entity creates a capitalized LLC (that holds project-related off campus property), and that LLC does the off campus project with a Private Party, any liability is limited to the LLC's assets (mainly the property). The off campus locale supports the LLC's insulating purpose; bond rating is unlikely to be affected. B. Watkins told UF that the concept is fine from a debt perspective (as long as the drafting emphasizes that the LLC exemption is limited to off campus projects that are not immediately adjacent to or across a normal public way from campus). Notice to the BOG was also discussed. | UF | |
| 11 | Extraordinary Projects (Hotels, Athletics, etc.) & method of financing | Leg. Approval required for both project and financing method (Back of Bill) | Leg. Approval required (Back of Bill) | Leg. Approval should not be required. | B | A | | | FAU, FIU, FSU, UCF, UNF, USF, UWF, FPU, NCF, UF, FAMU, FGCU | Universities within Florida and outside Florida are routinely engaged in these types of project. There is no need for this additional approval due to the specific use of the project. | UCF | |
| 12 | Review Period | The initial request must be submitted for review 90 Days prior to BOG meeting date. | 90 days, with staff flexibility to consider late submissions. | Request must be submitted for review 45 days prior to BOG meeting date. However, the submission must be correct; and free from errors and omissions, or the clock starts over. | A | A | | | UCF, UF, UNF, FAMU, FPU, NCF, FAU, FIU, UWF, FAU | The universities have chosen options here but strongly support a process that permits pre-authorization of projects as described in Item 13 below. P3 projects are different than regular university debt-financed projects in that the third parties are "at risk" during the ITN selection process and negotiation period as they must commit to specific terms, expend substantial time and funds, secure a lender, and then await approval. A 90 day time period is a long time to hold pricing open and this risk will increase financing costs, may limit financing options, and increase univ. project costs. Our current approach for debt issuance authorization allows the university to seek approval for the financing before actually financing the project and selecting the design and construction team, etc. The universities should be allowed to proceed with P3 projects upon receiving general approval from the BOG for the ITN and the pro forma. Errors should only require an extension of review time if material. | FIU | |

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| 13 | Project pre-approval by Board | Not provided for. | Universities have an "Information Only" option to share preliminary project data with the Board, and solicit informal feedback. | Universities have the option of seeking "pre-approval"; as long as they stay within a defined envelope, no further approval is required. | B | A | | | FIU, FSU, UCF, UF, UNF, USF, FAMU, UWF, FPU, NCF,FGCU, FAU | The universities strongly support Option C allowing universities to have the ability to seek pre-approval of projects within parameters approved by the BOG--and to get additional approval (on a short schedule) of any limited provisions that exceed the up front approval (if any). This approach will create more certainty in the process, give better leverage to universities in negotiations, and reduce impact of this approval process on pricing. If it is essential for BOG to provide approval after the transaction is negotiated, it makes more sense--at a university's option--to allow for both an initial authorization and an abbreviated post-review/approval period delegated to the Chancellor or staff to confirm the project fits within the original authorization. However, having the University's counsel and financial advisor certify to the BOG that the project fits within the approved parameters should suffice, as they are competent, ethical, professionals. See attached list of submittals for pre-approval. | FIU / UF | |
| 14 | Documentation Requirements | As provided in Draft P3 Guidelines | | | A | A | FAU, FIU, FPU, NCF, UCF, UF, UNF, UWF, USF, FSU, FGCU | | | Rather than focus solely on cost effectiveness, this documentation requirement should be changed to be best value to the university, which would allow for cost effectiveness as well as other considerations. See Item 17 below. FAMU- no position. | UWF | |
| 15 | Post-Approval Reporting | | As provided in Draft P3 Guidelines | | B | B | | FAU, FIU, FPU, NCF, UCF, UF, UNF, UWF, FSU, USF, FAMU, FGCU | | Effort should be made to standardize post-approval reporting rather than providing for reporting to be a project by project determination. Additionally, the requirement for any other reporting deemed necessary is already covered by BOG Regulation 9.009 and can be deleted. This is another area where certainty will help us. | UWF | |
| 16 | Parking, Housing, Student Life | | No special Leg. Approval required | | B | B | | FAU, FIU, FSU, NCF, UCF, UF, UNF, USF, UWF, FPU, FAMU. FGCU | | | UCF | |
| 17 | Cost-Benefit Standard to apply | A cost-benefit analysis showing that the P3 procurement methodology is the most cost effective method of delivering the Project; and providing justification supporting the use of the P3 procurement method, with priority being placed on student affordability. | A cost-benefit analysis showing that the P3 procurement methodology is a reasonably cost effective method of delivering the Project; with priority being placed on student affordability. | | B | A | | FAU, FIU, FPU, FSU, NCF, USF, UWF, UF, UCF, UNF, FAMU, FGCU | | Student costs are n/a to many P3 projects so this should be clarified. In cases in which student costs, i.e., housing rates, are relevant, priority should be on value to students and university, not affordability only. For example, a project without a common space with TVs might be more affordable but might not be marketable. Cost effectiveness evaluations must include all costs, including construction, financing, and operational costs. | FIU | |
| 18 | The provisions of s. 1010.62 (University Debt Statute) apply to any university or DSO revenues associated with a P3 project. | All revenue restrictions and the functional relationship test apply. | The application of s. 1010.62 revenue limitations should be applied in a common sense manner; i.e. materiality. | Since the project is not university or DSO debt, these provisions are inapplicable. | B | A | | | FAU, FIU, FSU, NCF, UCF, UNF, USF, UWF, FPU, FGCU, UF | | FAU | |

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| 19 | Mandatory consideration of Bond Finance concerns by the BOG. | Should the Division of Bond Finance disagree with any recommendation of the Board of Governors staff or suggest that any additional information be presented to the Board of Governors, such recommendations or information shall be included with any recommendation provided by the Board of Governors staff to the Board of Governors. (Current practice for Debt approvals, as well | | | A | A | | | | DBF's analyses and recommendations should be presented only when they relate to the University's or DSO's debt. BOG, as the approval authority for P3 projects, should have the flexibility to determine when or whether to consult with DBF or other Financial Advisors with respect to other aspects of P3 projects. | FAU | FIU, FPU, NCF, UF, UWF, UNF, FGCU, FSU, UCF, USF, FAU, FAMU |
| 20 | Do Private Party Tenant improvements over \$5 million require BOG approval? | Only if related to a P3 project as defined. Does not apply to operating agreements. | | Approval not required. | C | A | | | FAU, FIU, FPU, FSU, NCF, UCF, UF, UNF, USF, UWF, FAMU, FGCU | | FAU | |
| 21 | DSOs | DSOs will follow either the P3 or Debt Guidelines for universities. | | | A | A | FAU, FIU, FPU, NCF, UCF, UF, UNF, USF, UWF, FAMU, FGCU, FSU | | | | FSU | |