



## **Innovation Village – Stadium Authorization**

**Tuesday, September 18, 2007**

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### **PROPOSED BOARD ACTION**

As the next step in developing the previously approved Innovation Village project, the Administration requests that the Board of Trustees adopt a resolution: a) conceptually approving and authorizing the development of an on-campus steel-frame football stadium for the Boca Raton campus, with a maximum design and construction cost of \$62,000,000 and a projected capacity of up to 30,000 seats; b) authorizing the President to commence formal negotiations with appropriate financial institutions and design and construction professionals, including issuing University Requests for Proposals or Qualifications, as appropriate, to secure the most financially feasible development plan; and c) authorizing the President to take such further actions as are necessary and appropriate to achieve these ends, subject to the Board of Trustees final approval of all financing and construction plans.

### **BACKGROUND INFORMATION**

Throughout 2006 and 2007, the Administration has developed plans to implement the BOT's directive to enhance the traditional campus environment on the Boca Raton campus. The ultimate goal is to provide physical and programmatic resources that will support FAU's efforts to become recognized as a university of first choice.

As part of these efforts, the University selected through a Request for Proposal process a development team led by KUD International to create and implement a plan for the Boca Raton campus that would include student residential housing facilities, retail space to serve the university community, and a venue for athletics and cultural events. The RFP required that all financing for the project must be private, with no recourse to University funds.

These efforts produced an initial set of alternative options for the events venue. In November 2006, the Board directed the administration to develop a plan to construct an expandable, open



**Proposed Project Schedule**

**Proposed Resolution**

**Presented by:**

**David L. Kian, General Counsel**

**Charles Johnson, C.H. Johnson Consulting**

**J. Craig Dunlap, Dunlap & Associates**

**Phone:**

**(561) 297-3007**



# C.H. JOHNSON CONSULTING



## Florida Atlantic University Football Stadium Analysis

SUBMITTED TO:  
Florida Atlantic University

SUBMITTED BY:  
C.H. Johnson Consulting, Inc.

September 2007



JOHNSON  
CONSULTING

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## **I. REPORT LETTER**

# C.H. JOHNSON CONSULTING, INC.

EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

September 11, 2007

Mr. David Kian  
Office of the General Counsel  
Florida Atlantic University  
Administration Building, Room 367  
777 Glades Road  
Boca Raton, Florida 33431

Dear Mr. Kian:

**C.H. Johnson Consulting, Inc.** (Johnson Consulting) has prepared a market and financial analysis for the development of a new football stadium for Florida Atlantic University (FAU). This report includes estimates of market potential, demand, and projected financial performance. The attached report explains the methods used to develop the estimates and discusses the results of the report.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analysis of primary and secondary sources of information. Johnson Consulting utilized sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, estimates and analysis presented in this study are based on trends and assumptions, which usually result in differences between the projected results and actual results. And because events and circumstances frequently do not occur as expected, those differences may be material.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely yours,



C.H. JOHNSON CONSULTING, INC.

## **II. INTRODUCTION AND EXECUTIVE SUMMARY**



## **INTRODUCTION**

C.H. Johnson Consulting (Johnson Consulting) is a nationally recognized authority on stadiums, arenas, and university development projects. The firm works nationally and internationally for universities, cities and counties, and private sector developers. Locally, Johnson Consulting has worked on projects in Palm Beach County as the County's representative in reviewing developer proposals to construct a 400 room hotel in West Palm Beach (2004) and later in assessing the parking requirements for that convention center headquarters hotel (2006).

Elsewhere in Florida and nationally, the firm recently completed work on a university football stadium and arena for Delaware State University in Dover, Delaware as well as work on a new football stadium for The Citadel in Charleston, SC, the University of Northern Iowa's new McLeod Center, a 6,500 seat multi-purpose arena, and a new arena for California State University-Sacramento. Perhaps of even more import, in the last couple of years, Johnson Consulting delivered comprehensive market and financial analysis reports for the new football stadiums at Florida International University (2006) and University of Central Florida (2005). Johnson Consulting is one of the top sports consulting firms nationally, serving universities and municipalities.

Johnson Consulting is submitting this report presenting a market and financial analysis for an on-campus football stadium at the Florida Atlantic University (FAU) on its main campus in Boca Raton, Palm Beach County, Florida. The football stadium will compliment the other developments proposed for the Boca Raton campus as part of the Innovation Village project, including additional student housing and a retail center. The Innovation Village would join the new Alumni Center and 600 bed teaching hospital projects currently underway on campus. The analysis includes estimates of demand for the on-campus football stadium as well as its projected operating financial performance.

It should be noted that an original concept for the stadium was a domed venue for both football and basketball as well as other sports. At that time there was a planned financial linkage between housing and the proposed domed stadium because it was believed that resources from Innovation Village's Housing were going to be needed to support the financial needs of the domed stadium. Since then, a stand alone football-only stadium has become FAU's focus. As such, an analysis for housing has been prepared, but presented separately. As a result, the Board of Trustees and financial analysts can judge the stadium on a stand alone basis to determine if stadium revenues or if combined Innovation Village revenues need to be pledged to the project.

## Objectives of the Study

Johnson Consulting has undertaken a program of services designed to accomplish the following major objectives:

- To communicate the transaction structure, in order to isolate demand, revenue and expense factors pertinent to the Stadium project specifically,
- To provide an evaluation of FAU Athletics as well as demand and market support patterns within the competitive area for the regional stadium marketplace,
- To identify and evaluate the competitive environment for the proposed stadium, should FAU decide to allow for other events within the facility besides university football games,
- To independently estimate achievable demand potential for the football stadium's elements, and
- To present a ten year projection of revenue, expenses, debt service and funds available for other purposes and coverage ratios.

In addition to this introduction and methodology review, the report contains the following sections:

- **Section 3** presents an economic and demographic overview of the local market. The information in this section is an essential component in understanding the economic and market framework that will support a new facility.
- **Section 4** presents an overview of trends and factors in the stadium and entertainment industry, with specific consideration given to conditions in the college and university development that may impact the development and performance of facilities at FAU, as well as case studies on comparable sports facilities located in markets that offer emerging or successful sports programming that could serve as models for development for FAU.
- **Section 5** presents a financial and demand projection for the football stadium.

## Approach / Methodology

In order to accomplish these objectives, the program of analysis conducted by Johnson Consulting has undertaken the following research tasks:

- Interviewed stakeholders to understand the deal structure, project interrelationships, and distribution of cash flows,

- Analyzed the proposed site and surrounding on- and off-campus development patterns and transportation access relative to factors which influence market support and demand penetration,
- Examined and projected regional economic trends relevant to population growth and changes in entertainment options for consumers who may use the stadium facilities,
- Interviewed current management, athletics officials, and other university representatives in order to gather information about expectations for the future of FAU athletics programming,
- Identified and examined relevant competitive and/or comparable stadium projects, both within and outside of Sun Belt Conference,
- Conducted surveys of possible suite, advertising, branding, and naming rights partners and assessed the level of interest expected from these partners,
- Revised KUD's (see below) and administration's internal analysis and reflected on their assumptions, and
- This report is the result of this evaluation, together with supporting data and documentation including projected results of financial operations.

### **Terms of Assignment**

This report is based on estimates, assumptions, actual leases for premium seating, and other information obtained from our research, our prior experience with similar assignments, and information received from FAU, Front Row Marketing Services (a Philadelphia, PA based division of the public assembly facility management, Global Spectrum, specializing in marketing sports facility revenue sources, such as, naming rights, premium seating and venue advertising), KUD International (a New York City based real estate developer specializing in the development of public/private partnership projects, such as the University of Central Florida (UCF) Convocation Center/Arena, retail and student housing project currently underway in Orlando) and other sources. The sources of information and basis of estimates and assumptions are stated herein. Projections of stadium demand, attendance, contractual relationships, operating revenues, operating expenses, debt service and coverage ratios presented within this report are based Johnson Consulting's assessment of various data, market characteristics, extensive discussions with FAU, actual premium seat leases, and documented assumptions. Projections of other revenues and expenses are based on input from FAU officials and financial team. Since certain estimates and assumptions are inherently subject to variation depending on evolving conditions, we cannot represent our projections as results that will actually be achieved.

In accordance with our engagement letter, Johnson Consulting did not ascertain the legal or regulatory requirements applicable to this project, including zoning or other state and local government regulations, permits, and licenses. Furthermore, no effort has been made to determine the possible effect on this project of present or future federal, state, or local legislation, including those related to jurisdictional, environmental, or ecological matters or interpretations thereof.

## **Description of the Project**

The football stadium project has been approved to be located on the northeast side of the Boca Raton main campus area proximate to the campus' main circumferential roadway (Lee Street). Working with KUD and FAU athletic Department staff, we have assumed the stadium will have a capacity of 30,000, a total of 25 luxury suites (although only 20 of the suites are leasable), and 1000 club seats. We have assumed that there will be 4,000 parking spaces and an area for 75 RVs and buses. The stadium will be financed through a University support organization and operated by the University. The money will flow either to a trustee for distribution to first cover debt service before any surplus goes to the University (the more likely scenario) or directly to the University and the athletic department for use in paying obligations associated with the development (i.e. debt service) and to support program growth .

The on-site campus location affords the project accessibility and visibility to prospective and existing students. Moreover, all of the existing and planned campus amenities available to students effectively represent project amenities appealing to both students and athletic recruits alike as well as alumni. The end product will be highly appealing, and from both an athletics and urban planning standpoint, will distinguish the campus within Florida, within its athletic conference, and nationally. Importantly, the stadium is located on the west side of campus and its height will provide very visible views from I-95. This visibility impacts positively the advertising potential of the stadium and these values are considered in our report.

The recreation, fitness and leisure facilities, and programs on the FAU campus are adequate and include the following:

- Oxley Athletic Center
  - Multi-purpose gymnasium
  - Cardiovascular fitness and weight areas
  - Group exercise areas
  - Locker rooms
  - Wellness suite

- Outdoor pool and deck
- Ropes Course
- Softball/baseball fields

The football stadium on the campus of FAU will provide a facility that will not only enhance the athletics program at FAU, but also serve the needs of a growing university. The facility will help enrich the profile of the football program, as it currently uses the off-campus Lockhart Stadium located over 20 miles away in Fort Lauderdale (and, which it should be noted is slated for demolition late in 2008 to make way for the expansion of the Baltimore Orioles spring training facilities—see Lockhart Stadium Footnote at the need of this report for more information regarding this situation). The development of the stadium, along with the elements of the Innovation Village plan, will help FAU recruit and compete in the Sun Belt Conferences and may even lead to a berth in a larger conference, such as, the Big East Conference.

### **Executive Summary**

The Miami MSA market continues to grow as a destination. Its corporate presence and employment base is solid and far superior to Orlando's where UCF has sold out the amenities for their new stadium. The area has sustained continued growth in population albeit with a reduced rate of increase from prior years, and it can draw on surrounding population centers and a large number of local FAU alumni for support.

As detailed above, the football stadium will be located on the north side of the main campus area proximate to the campus' main roadway. A collection of projects is currently affecting the overall face of the FAU campus, which includes the football stadium, a renovated Arena, a planned Alumni Center, housing, retail, parking, and an array of other athletics facilities. With the development of these projects, FAU will have the critical mass of attractions, easy access via the two limited access/toll road of I-95 and the Florida Turnpike and its proximity to Miami and surrounding affluent communities to support a new football stadium. Other sections in this report will investigate the sports and event market to support the building design and program, as well as make projections of demand and financial performance.

Currently, there is a national trend towards upgrading, expanding, and improving public assembly facilities such as stadiums and sports complexes. This trend has led to the development of new and renovated facilities throughout the country, not only in major professional sports but also at minor league and collegiate levels. This development responds to increased demand by the sports and entertainment markets, which have grown in recent years. Also, the construction of new facilities can lead to improvement in the athletics programs at universities, with newer

venues offering better opportunities. The addition of new facilities will likely allow FAU to attract better athletes and more students, bring more events into the area, as well as provide area citizens with better public facilities, and increased entertainment options.

Although the Palm Beach/Fort Lauderdale/Miami area has the Orange Bowl and Dolphin Stadium as its major stadium facilities, numerous markets with 1.5 to 5.0 million residents have multiple offerings. In comparison to other markets of similar size to FAU's market, the area is above average in terms of its representation of disposable income and the number of business establishments.

It is recommended that an on-campus football stadium for FAU with a capacity of approximately 30,000 people is appropriate for the market and the university. Additionally, approximately 20 leasable suites and 1,000 club seats are recommended. This type of facility will be able to host a wide range of events, such as sporting events, concerts (should the University decide at a later date to host them), and community events. At the present time, the stadium will host FAU football events, high school football games, and other events. However, it is important that the facility be designed with the flexibility to host these other types of events at a future date, should these event types be determined suitable within the community.

### **How Much Business Will the Stadium Generate?**

Based on these assumptions, once the stadium opens in 2010, it will host a minimum of six FAU football games annually. This number is anticipated to stay the same throughout the projections. Total facility attendance is projected to range from 93,000 in the first year of operation for FAU games, 40,000 for high school football games, and 14,250 for special events to more than 100,000 for FAU football, 43,000 for high school football, and 15,000 for special events in 2020. Based on the projected demand, the stadium is projected to generate gross revenue of approximately \$6.7 million in 2010-2011, after consideration of both operating and non-operating revenues, and total operating expenses of \$1.4 million, not including debt service and reserve accounts.

### **III. MARKET ANALYSIS**

## **MARKET ANALYSIS**

In order to analyze the market opportunity for a new football stadium on the campus of Florida Atlantic University (FAU), in conjunction with development of an overall innovative master plan on campus, which includes housing and retail, Johnson Consulting reviewed market conditions and characteristics within the greater Miami-Fort Lauderdale-Miami Beach, FL MSA. While characteristics such as population, employment, and income are not strict predictors of performance for sports facilities, they provide insight into the capacity of a market to support facilities or activities. In addition, the size and role of a marketplace, recent and historical development trends, as well as competing or complementary attractions and venues all affect the scale or quality of facilities developed for a particular market. The objective of this analysis is to identify factors that may affect the level of support that would exist for an additional sports facility at FAU. This section also presents an overview of the university and its athletics department and facilities.

### **Florida Atlantic University**

Johnson Consulting assessed various conditions and characteristics of FAU that will impact the planned football stadium. Characteristics such as current and projected student enrollment, athletics programs offered, resource support for entertainment programming, and the quality of existing facilities will affect the performance of the new and existing sports facilities.

Florida Atlantic University, a member institution of the Florida State University System, was established in 1961 as a fifth university in the state system. The University directly serves a seven county area with a population of over 5 million people. FAU consists of seven campuses with over 26,000 students in nearly 170 various degree programs, including its most recent addition—a two year medical school program, which is slated to increase to a four year medical school with the construction of a 600 bed teaching hospital on the southeast portion of its Boca Raton campus.

The FAU's main and only traditional residential campus is located on over 850 acres in Boca Raton, just over 20 miles north of downtown Fort Lauderdale and 45 miles north of Miami. The campus is located immediately adjacent to I-95 and is within approximately 4 miles of another major north-south limited access highway—the Florida Turnpike—affording the campus excellent regional accessibility. The FAU campus has direct access to I-95 from Glades Road (SR 808) a major regional east-west artery. It should also be noted the proposed football stadium site in the northwest portion of campus will have visibility from I-95. In addition to vehicular accessibility described above, FAU's campus is less than 20 miles from two of the



major airport serving Southeast Florida with Palm Beach International Airport (20 miles north) and Fort Lauderdale/Hollywood International Airport (about 18 miles south). FAU's campus also enjoys proximity to the ocean being only about a mile from the Atlantic coast.

**Table 3-1**

<b>Historical Enrollment</b>		
	<b>Enrollment</b>	<b>Growth</b>
2000	21,466	
2001	23,819	0.11
2002	24,119	0.01
2003	25,261	0.05
2004	25,662	0.02
2005	25,994	0.01
2006	25,657	-0.01

*Source: FAU, Johnson Consulting*

As the table shows, enrollment has progressively increased over the last seven academic years. In 2000, total enrollment was 21,466. With an increase in enrollment coming every year, FAU reached 25,000 students in 2003 and increased 2% in 2004 and 1% in 2005, before it took a slight drop in 2006. With the new on campus stadium and housing these numbers will be greater in the years to come.

### Innovation Village

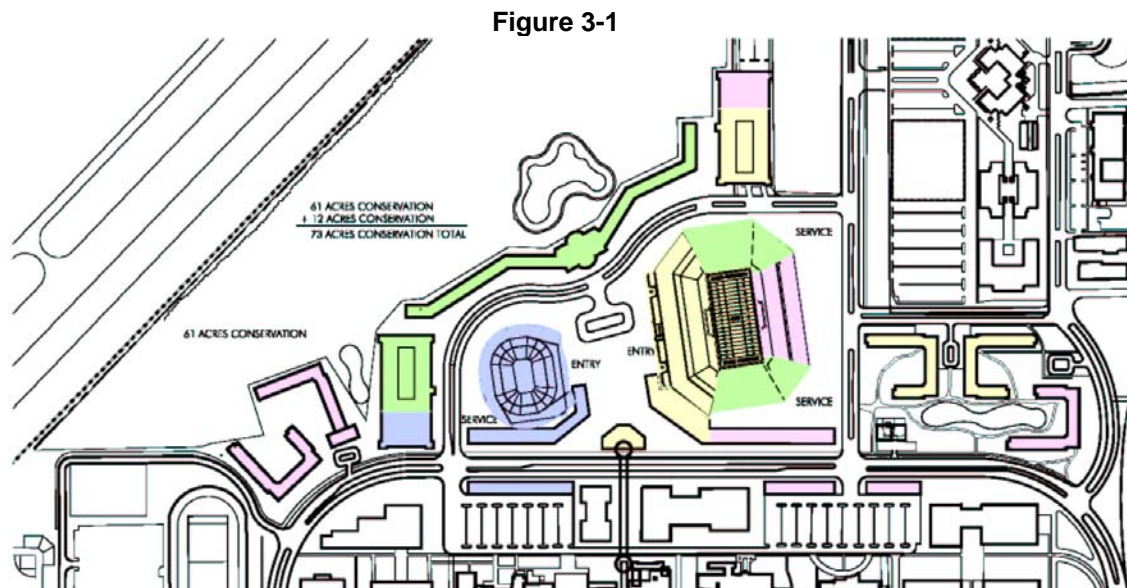
In 2006, KUD, a company specializing in program management, financial structuring of projects, and management of design and construction at risk, in conjunction with the administration of FAU, began exploring the possibilities for a public/private partnership to expand the offerings at the main campus of the University in Boca Raton in order to improve FAU's perception as a "more traditional, first choice university campus". The plan, which became known as "Innovation Village", seeks to:

- Create a traditional collegiate environment
- Improve the student experience
- Increase FAU's visibility and reputation
- Enhance athletics

In order to achieve these goals, it is believed Innovation Village could build a more vibrant campus life and programs by creating facilities that would:

- Create traditions and a sense of pride through sports, new programs and student activities, such as, Homecoming, fraternities/sororities and other traditional elements of campus life
- Generate additional facilities to engage students on campus, such as, additional recreation and fitness venues, more residence halls and expanded use of the student union or similar new facilities
- Support this more vibrant campus life by providing additional entertainment and shopping on campus including such things as a restaurant, cleaners, convenience shopping, hair salon and coffee shop that appeal most to the wants and needs of students

Early proposals for this public/private partnership called for the addition of either a domed multi-purpose stadium/arena or an open air football stadium and separate arena together with approximately 2,000 new residence hall beds (although a proposed site plan with 1,545 beds was ultimately prepared and has been analyzed in a separate report) and up to 130,000 square feet of retail space to be located north of Lee Street spread across both sides of Palm Beach Avenue on the north side of campus (see Figure 3-1)



In November of 2006, the Board of Trustees were presented with the proposals for the aforementioned choices between the multi-purpose stadium/arena facility and separate football and arena facilities including the projected costs of such facilities. After deliberating over these proposals, the Board of Trustees instructed the University's administration to focus its attention on a plan to build a separate football stadium and arena. It was concluded such an approach would afford greater flexibility to phase in the addition of the stadium and arena over time by addressing the more pressing need for a new home for the Owls' football team (as FAU's current home field, Lockhart Stadium in Ft. Lauderdale is slated for demolition as early as next year).

The result of this decision is an Innovation Village plan consisting of a new open air football stadium with a capacity of between 30,000 and 45,000 fans with a site set aside for the possible addition of a new arena in the future. The Innovation Village plan also includes the 1,545 new beds for student housing and a retail site for up to 130,000 square feet as well as parking. All of these campus improvements will be located on the north side of campus as previously described.

### FAU Athletics

FAU currently has 19 men's and women's athletics teams that compete at the NCAA Division I-A level in the Sub Belt Conference Table 3-2 lists the sanctioned intercollegiate athletics teams offered at FAU.

Table 3-2

FAU Athletics	
Men's Athletics	Women's Athletics
Baseball	Basketball
Basketball	Cheer
Cheer	Cross Country
Cross Country	Dance
Football	Golf
Golf	Soccer
Soccer	Softball
Swimming	Swimming
Tennis	Tennis
	Track
	Volleyball

Source: FAU, Johnson Consulting

FAU athletics began in 1979 and has grown to Division I-A status. In 1999, the Owls became members of the Sun Belt Conference where it competes with Arkansas

State, University of Arkansas at Little Rock, University of Denver, Florida International University, University of Louisiana at Lafayette, University of Louisiana at Monroe, Middle Tennessee State, University of New Orleans, North Texas, University of South Alabama, Troy University, and Western Kentucky University.

## FAU Facilities

The following text describes the main athletics facilities on the FAU campus:

- **Tom Oxley Center** - The 54,000 square foot, state of the art facility houses the football locker room, training room, weight room, meeting rooms and coaches' offices. The Oxley Center also opens its doors to individual locker rooms for women's track, soccer, softball and volleyball, as well as the respective coaches' offices. The Athletics Director, Associate AD for Compliance and Sports Information Director also call the Oxley Center home. All FAU students are allowed to use the computer study lab and take advantage of its classrooms. The facility overlooks the baseball "B" field, the soccer game field, the softball stadium, the Boca Raton airport, and two football practice fields.
- **FAU Arena/Gymnasium** - Known as "The Burrow", the Arena is currently undergoing a \$10 million dollar renovation that will update the facility. The building is a multipurpose facility with approximately 31,000 square feet of exhibition space and a seating capacity of 5,000. The Arena is the current home to women's volleyball and men's and women's basketball. The facility houses locker rooms for two varsity teams.
- **Baseball Stadium** - FAU's baseball stadium has a seating capacity of 1,200. The facility is lighted. The stadium originally opened in 1990.
- **Softball Stadium** - Home to the FAU women's softball team. The stadium has a 1,000 seat capacity and is lighted.
- **Olympic Outdoor Swimming Pool** - Home to both FAU's men's and women's diving and swimming teams.

## FAU/Boca Raton Area Overview

FAU's campuses and the Boca Raton campus, in particular, are located in what has been defined as the Miami-Fort Lauderdale-Miami Beach metropolitan statistical area ("Miami MSA") by the United States Office of Management and Budget. The

Miami MSA covers Broward, Miami-Dade and Palm Beach counties. Boca Raton and FAU’s main campus are located in Palm Beach County.

Population

The population of the Miami-Fort Lauderdale-Miami Beach metropolitan area grew by an estimated average of approximately 1.1 percent per year from 1997 to 2006. The current population in the area is approximately 5.5 million, as shown in Table 3-3.

**Table 3-3**

<b>Miami MSA</b>		
<b>Year</b>	<b>Population (Thousands)</b>	<b>Annual % Change</b>
<b>1997</b>	4,750.2	--
<b>1998</b>	4,836.9	0.4%
<b>1999</b>	4,932.0	0.4%
<b>2000</b>	5,029.3	0.4%
<b>2001</b>	5,118.9	1.8%
<b>2002</b>	5,210.6	1.8%
<b>2003</b>	5,275.5	1.2%
<b>2004</b>	5,350.8	1.4%
<b>2005</b>	5,424.7	1.4%
<b>Average Annual Percent Growth</b>		
<b>1997-2005</b>		<b>1.1%</b>
<i>Source: Bureau of Economic Analysis</i>		

Population growth in the Miami area has exceeded state and national growth rates over the past 20 years and is expected to remain well above state and national levels for the foreseeable future. Table 3-4 presents extended population projections for the MSA through the year 2030.

**Table 3-4**

<b>Miami-Fort Lauderdale MSA Population Projections</b>		
<b>Year</b>	<b>Population (000)</b>	<b>Annual % Change</b>
<b>2010</b>	5,838,660	--
<b>2020</b>	6,665,609	1.3%
<b>2030</b>	7,431,530	1.1%

*Source: U.S. Census Bureau*

Average annual population growth in the Miami-Fort Lauderdale MSA is expected to increase slightly to 1.3 percent between 2010 and 2020, and then increase to 1.1 percent between 2020 and 2030. The projected overall average annual growth for the MSA between 2010 and 2030 is 2.4 percent, with the population projected to reach nearly 6.7 million in 2020 and 7.4 million in 2030.

The success of a football stadium, or any public assembly facility, lies in its ability to develop a programming strategy that appeals to a broad cross-section in the marketplace. Nonetheless, the composition of the local population base must also display appealing characteristics at various segments such as age and income. A market's age composition can be a factor in determining potential event demand, as attendees for many types of events vary. Certain event types have various characteristics that appeal to different age groups. Concerts target teenagers to more mature adults, while family shows are primarily aimed at adults with younger children. Table 3-5 summarizes the Miami-Fort Lauderdale MSA, and included counties, historical population and growth rates.

**Table 3-5**

	<b>Historical Population and Growth Rates</b>						<b>Annual Growth Rate</b>
	<b>1990</b>		<b>2000</b>		<b>2005</b>		
	<b>Population</b>	<b>% of MSA</b>	<b>Population</b>	<b>% of MSA</b>	<b>Population</b>	<b>% of MSA</b>	
US	248,709,873	--	281,421,906	--	293,655,404	--	1.1%
State of Florida	12,937,926	--	15,982,378	--	17,789,864	--	1.9%
Miami-Fort Lauderdale MSA	4,078,578	100.0%	5,028,759	100.0%	5,355,903	100.0%	1.7%
Broward County	1,255,488	30.8%	1,623,018	32.3%	1,777,638	33.2%	2.1%
<b>Miami-Dade County</b>	<b>1,937,094</b>	<b>47.5%</b>	<b>2,253,362</b>	<b>44.8%</b>	<b>2,376,014</b>	<b>44.4%</b>	<b>1.3%</b>
Palm Beach County	863,518	21.2%	1,131,184	22.5%	1,268,548	23.7%	2.3%

*Source: U.S. Census Bureau, Johnson Consulting*

The US population grew from 1990 to 2005 at 1.1 percent. In the State of Florida, the increase from 2000 to 2006 is due to immigration and growth in the State. Florida as a state experienced a higher growth rate as compared to the rest of the country, and the Miami MSA experienced a similar above average growth rate with 1.7 percent from 1990 to 2005.

### Income and Employment

The strength of a market’s income and employment can be an indicator of its potential ability to support public assembly facilities. In general, higher income levels lead to greater amounts of disposable income, which can be spent on non-essential items such as recreation and entertainment. Less wealthy markets will have less disposable income available to spend on event tickets, for example, and would be expected to provide a lower level of attendee demand. Indicators of a market’s overall wealth and growth can include trends in certain sectors of income and employment, such as construction, manufacturing, services, as well as finance, insurance, and real estate (FIRE). For many university-based events, such as football games, attendance is largely independent of a market’s wealth and will depend heavily on student support.

A healthy and diversified economy provides not only employment and disposable income for a market’s residents, but it also helps to insulate an area from economic downturns. Markets that have historically relied on one sector, such as manufacturing, have often had difficulty recovering from market shifts to other sectors, which leads to an overall loss of local income and employment. The distributions of income by household for the Miami MSA are shown in Table 3-6.

**Table 3-6**

Location	Effective Buying Income (EBI) 2005					
	Total EBI (000,000)	Median Household EBI	% of Households by EBI Group			
			Under \$20,000	\$20,000 - \$34,999	\$35,000 - \$49,999	\$50,000 +
Miami-Dade	\$406,450	\$34,757	27.4%	26.1%	19.7%	26.8%
Miami-Fort Lauderdale MSA	\$1,122,655	\$38,816	23.2%	22.0%	17.5%	37.3%
State of Florida	\$3,571,095	\$37,840	22.3%	23.9%	18.8%	35.0%
United States	\$56,929,096	\$39,324	12.8%	24.9%	21.5%	40.8%

*Source: Sales and Marketing Management*

More than 17 percent of households in the Miami MSA have annual incomes between \$35,000 and \$49,999 with approximately 37 percent of households having annual incomes of \$50,000 or greater. While this demonstrates the affluent nature of the Miami MSA, a number of households, nevertheless, (approximately 23 percent), have annual incomes of \$20,000 or less.

Table 3-7 displays total non-farm income by sector for the Miami-Fort Lauderdale MSA from 2001 to 2004.

**Table 3-7**

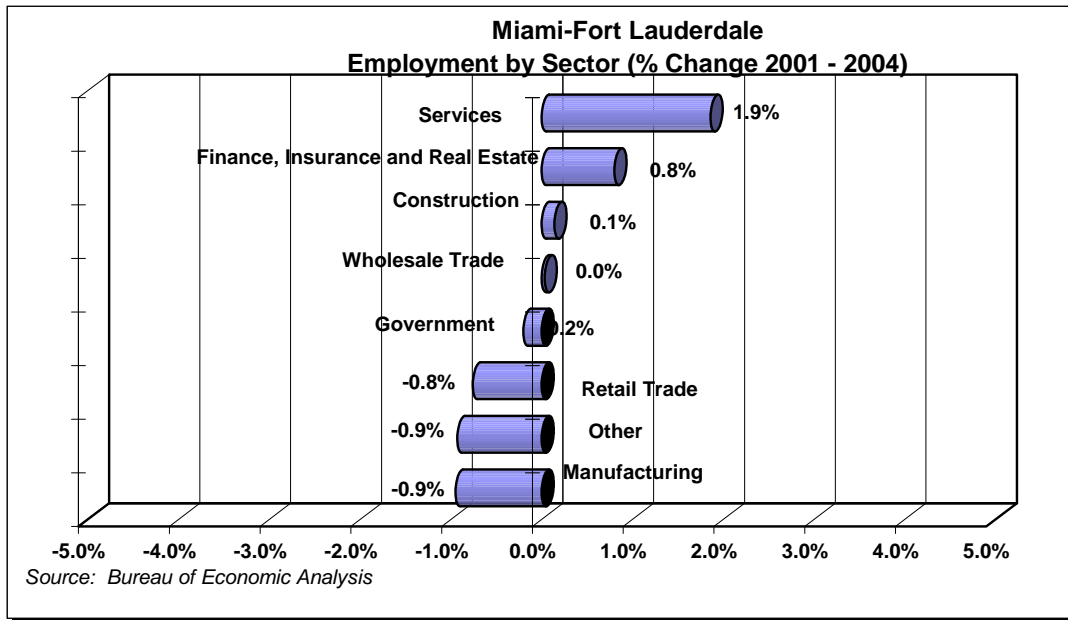
<b>Miami-Fort Lauderdale MSA Non-Farm Earnings By Sector (\$Millions)*</b>				
<b>Sector</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Construction	5.4	5.6	5.9	6.5
<i>Percent of Total</i>	5.6%	5.5%	5.6%	5.8%
Manufacturing	5.7	5.6	5.4	5.6
<i>Percent of Total</i>	5.9%	5.5%	5.2%	4.9%
Wholesale Trade	7.4	7.5	8.0	8.7
<i>Percent of Total</i>	7.5%	7.5%	7.6%	7.7%
Retail Trade	8.6	8.6	8.8	9.2
<i>Percent of Total</i>	8.8%	8.6%	8.3%	8.1%
FIRE**	7.8	8.4	8.8	9.3
<i>Percent of Total</i>	8.0%	8.3%	8.3%	8.3%
Services	36.1	38.2	40.6	43.4
<i>Percent of Total</i>	37.0%	37.8%	38.5%	38.4%
Government	15.2	16.1	17.1	18.5
<i>Percent of Total</i>	15.6%	16.0%	16.2%	16.3%
Other	11.3	10.9	10.8	11.9
<i>Percent of Total</i>	11.6%	10.8%	10.3%	11.3%
<b>Total</b>	<b>97.7</b>	<b>101.0</b>	<b>105.4</b>	<b>113.0</b>
<b>Percent Growth</b>	<b>--</b>	<b>3.4%</b>	<b>4.4%</b>	<b>7.3%</b>
<i>*Earnings figures are not adjusted for inflation.</i>				
<i>**Finance, Insurance and Real Estate</i>				
<i>Source: Bureau of Economic Analysis</i>				

The services sector is by far the largest contributor to income in the MSA, with 38.4 percent of the total in 2004. This is largely due to the tourism industry, driven by the area's beaches and the millions of tourists they attract. Government (16.3 percent) and Other (11.3 percent) comprise the second and third largest shares of income in the MSA.

Table 3-8 displays gains and losses in employment by sector in the MSA from 2001 to 2004.



Table 3-8



As the table shows, the services sector is the driving force in job growth in the MSA and had the largest increase in its share of employment, with 1.9 percent growth from 2001 to 2004. This is consistent with most of the U.S., where the services sector has generally experienced the largest job growth. No other industry compares to the services sector in terms of growth; however FIRE and construction grew relative to other sectors. On the other hand, retail trade saw a steady decline in employment (-0.8 percent) within the MSA.

Table 3-9 compares the MSA's unemployment rate and per capita income.

Table 3-9

Unemployment and Income in the Miami-Fort Lauderdale MSA				
Year	Average Monthly Unemployment Rate		Per Capita Income (\$000)	
	MSA	US	MSA	US
1990	7.4%	5.6%	\$22,251	\$19,477
1991	8.7%	6.9%	\$22,525	\$19,892
1992	9.5%	7.5%	\$23,047	\$20,845
1993	8.1%	6.9%	\$23,814	\$21,346
1994	8.2%	6.1%	\$24,310	\$22,172
1995	7.0%	5.6%	\$25,383	\$23,076
1996	6.9%	5.4%	\$26,319	\$24,175
1997	6.8%	4.9%	\$26,880	\$25,334
1998	6.0%	4.5%	\$28,510	\$26,883
1999	5.2%	4.2%	\$29,340	\$27,939
2000	4.4%	4.0%	\$31,223	\$29,845
2001	5.3%	4.8%	\$32,030	\$30,575
2002	6.2%	5.8%	\$32,618	\$30,804
2003	5.7%	6.0%	\$32,762	\$31,472
2004	5.2%	5.5%	\$34,278	\$33,050
2005	4.0%	5.1%	N/A	N/A
<b>Average Annual Change</b>				
<b>1990-2005</b>	<b>-3.1%</b>	<b>-0.6%</b>	<b>3.0%</b> *	<b>3.8%</b> *
* Per capital income is from 1990 through 2004.				
Source: Bureau of Economic Analysis, Bureau of Labor Statistics				

The MSA's unemployment rate decreased from a high of 9.5 percent in 1992 to a low of 4.0 percent in 2005. Between 1990 and 2005, unemployment rate averaged 5.5 percent; higher than the country-wide average of 5.6 percent during the same period. In 2004, the MSA's per capita income was \$34,278, which was approximately \$1,228 higher than the U.S.'s per capita income of \$33,050. Additionally, from 1990 through 2004, the MSA's per capita income grew at a slightly lower annual rate of 3.0 percent than the U.S.'s growth rate of 3.8 percent. The low per capita income may indicate there is a lower level of discretionary income within the MSA to be spent on recreational activities; however, this is mitigated by the fact Palm Beach County does not include a significant lower income area such as found in Dade County, which is also a part of this same MSA.

Residents' effective buying income (EBI) also helps to demonstrate the amount of disposable income available locally; and this data is shown in Table 3-10.

**Table 3-10**

Effective Buying Income (EBI) 2005						
Location	Total EBI (000,000)	Median Household EBI	% of Households by EBI Group			
			Under \$20,000	\$20,000 - \$34,999	\$35,000 - \$49,999	\$50,000 +
Miami-Dade	\$406,450	\$34,757	27.4%	26.1%	19.7%	26.8%
Miami-Fort Lauderdale MSA	\$1,122,655	\$38,816	23.2%	22.0%	17.5%	37.3%
State of Florida	\$3,571,095	\$37,840	22.3%	23.9%	18.8%	35.0%
United States	\$56,929,096	\$39,324	12.8%	24.9%	21.5%	40.8%

*Source: Sales and Marketing Management*

As the table shows, the MSA had a total EBI of nearly \$112 billion and a median household EBI of approximately \$39,000 in 2005.

### Transportation

Location and physical characteristics of the subject property are important factors, which influence development opportunities, project marketing, and attractiveness for entertainment and recreational events. Such factors as access, surrounding land uses, support services, and physical site features will impact either positively or negatively upon overall development opportunities and market potential. Observations and key findings relevant to the subject site are discussed below.

As discussed earlier, the proposed site is on the Florida Atlantic University's main campus in Boca Raton, Florida. The campus is located approximately 13 miles north of downtown Miami and is immediately adjacent to and visible from I-95 as well as within approximately 4 miles of the Florida Turnpike affording excellent regional accessibility.

Fort Lauderdale-Hollywood International Airport (FLL) is conveniently located just 30 minutes from Boca Raton with easy access to I-95, I-595 and Port Everglades. Over 660 international and domestic flights arrive and depart at the airport daily, transporting passengers to points throughout the U.S., Canada, the Bahamas, the Caribbean, Mexico, Latin and South America. Passenger traffic at FLL for July, 2007 shows total traffic was up 10.9% over July, 2006 as 2,007,417 passengers traveled through the airport. Domestic traffic was up 7.7% and international traffic grew 34.5%. This was the first time July has topped the 2 million mark, and the first month of double digit growth since September, 2005. Passenger traffic is expected to continue to increase. Seasonal additions, coupled with new service in the next few months by JetBlue, Spirit, American, and FLL's newest entrant Allegiant Air, will have a very significant positive impact. FLL is the 37<sup>th</sup> busiest airport in the US.

The Miami International Airport (MIA) is about 50 minutes away from Boca Raton and serves the Boca Raton community in addition to FLL. In 2006, MIA served over 32.5 million passengers. MIA is the 20th busiest airport in the U.S., and has just fewer than 400,000 aircraft operations each year. The growth of the Miami metro area and its location has helped to make the airport a busy regional hub for air service.

### Corporate Presence

In general, a strong corporate and business presence can also be an important factor in the success of a new athletics venue because local businesses can attract residents to an area, provide disposable income to residents, and can support facilities through donations, advertising, and their requirement for event space. In addition, local companies are also a common source of demand for premium seating in sports facilities. Because of central Florida's economic reliance on tourism and hospitality, a relatively large share of its employment serves this industry. Many of the area's largest employers are in the public sector, and the Miami-Dade County Public school is by far the area's largest employer.

Table 3-11

Largest Employers - Miami-Dade		
Name	Industry	# of Employees
<b>Public Sector</b>		
Miami-Dade County Public School	Education	54,387
Miami-Dade County	Government	32,265
Federal Government	Government	20,100
Florida State Government	Government	18,900
Jackson Health System	Healthcare	11,700
<b>Private Sector</b>		
Baptist Health South Florida	Healthcare	10,300
University of Miami	Education	9,367
American Airlines	Transportation	9,000
United Parcel Service	Shipping	5,000
BellSouth	Telecommunications	4,800
<b>Manufacturers</b>		
Goodwill Industries of South Florida	Manufacturing	1,100
STS Apparel Copr of Miami	Manufacturing	700
Gator Industries	Manufacturing	500
American Wollen Company	Manufacturing	400
Joy Athletics Corp.	Manufacturing	400
Sun Manufacturing Corporation	Manufacturing	350

Source: Greater Miami Chamber of Commerce, Johnson Consulting

As the table shows, Miami-Dade County Public School employs approximately 54,387 people, almost double that of Miami-Dade County, which is the second largest in the area.

Table 3-12 lists the major employers located in Palm Beach County, some of which are also listed in the previous table. These corporations will be larger contributors to events and sponsorship in FAU facilities due to their proximity to the campus.

**Table 3-12**

<b>Largest Employers - Palm Beach County</b>		
<b>Name</b>	<b>Industry</b>	<b># of Employees</b>
Florida Power & Light	Electric Utilities	2,924
Office Depot	Headquarters	2,680
Boca Raton Resort & Club	Hotel	2,200
U.S. Sugar Corp.	Sugar Manufacturing	2,100
Palm Beach Newspapers	Publishing	1,475
BellSouth	Telecommunications	1,300
Pratt & Whitney Rocketdyne	Aerospace	1,100
Wackenhut Corporation	Security Services	990
NCCI	Insurance Actuarial	990
Wachovia	Banking	950

*Source: eflorida.com, Johnson Consulting*

Palm Beach County supports a wide variety of industry ranging from utilities to financial services. The companies listed above should be pursued for sponsorships, donations, and future suite and premium seat sales as they play an active part in the Palm Beach County and Boca Raton communities.

### **Competitive Facilities**

While the Miami/Fort Lauderdale/Palm Beach area currently has several facilities that serve the athletics, recreational, and entertainment markets, there are few that are actually designed as football venues. In fact, within 100 miles, there are only two major football venues, the Orange Bowl and Dolphin Stadium in Miami. The following discussion provides an overview of football facilities within the area. As the Lockhart Stadium is discussed elsewhere in this report, it is not discussed here.

Other venues in the area that host sporting events, concerts, family shows, performing arts events, and other special events, are also discussed.

**Table 3-13**

Facility	Capacity	Luxury	
		Suites	Club Seats
Orange Bowl	74,476	0	400
Dolphin Stadium*	73,000	183	10,392
Lockhart Stadium	20,450	8	0
American Airlines Arena	19,600	20	1,520
Bank Atlantic Center	19,088	74	2,912
FIU Stadium	17,000	0	0
Ft. Lauderdale Stadium	8,340	0	0
Bank United Center	7,900	25	0
Mark Light field	5,000	0	0
Pharmed Arena	5,000	0	0
University Park Stadium	2,000	0	0
<b>Total</b>	<b>251,854</b>	<b>310</b>	<b>15,224</b>

\* Baseball Capacity is 40,500  
 Source: Respective Facilities, Johnson Consulting

- **Orange Bowl** - Home to the University of Miami's football team, the Orange Bowl was built in 1935 with a capacity of 74,476 and has 400 club seats. The stadium also contains five locker rooms and an Athletic Club which holds approximately 300 people and is used for luncheons, meetings, press conferences, and parties. However, the Miami Hurricane football team will begin playing its home games at Dolphin Stadium beginning in 2008.
- **Dolphin Stadium** - Is home to the prominent NFL team the Miami Dolphins. The stadium was built in 1987 with a capacity of 73,000, and has 183 luxury suites and 10,392 club seats. Luxury suites are priced from \$50,000 to \$300,000 and club seats are priced from \$1,100 to \$1,750.
- **American Airlines Arena** - The American Airlines Arena is located in Miami and is home to the Miami Heat NBA team and was built in 1999. The arena contains 19,600 seats, 20 luxury suites and 1,520 club seats. The arena hosts other events besides basketball games such as, concerts and family shows.
- **Bank Atlantic Center** - The Bank Atlantic Center is home to the NHL Florida Panthers. The arena is located in Sunrise, FL and was built in 1998. The arena contains 19,088 seats, 74 luxury suites and 2,838 club seats. The Luxury suites range in price from \$110,000 to \$140,000 and club seats range from \$5,375 to \$8,800. The Bank Atlantic Center has 16 areas for signage which range from \$750,000 to \$1 million. Concerts as well as family shows are held in the arena.

- **Bank United Center** - Is located in Coral Gables, FL and was built in 2003. The facility is located on the University of Miami and is a multipurpose entertainment facility. Concerts, family shows, trade shows as well as the University of Miami's Men's and Woman's basketball teams use the facility. The facility contains 7,900 seats, 25 executive suites and approximately 21,000 square feet of meeting space.
- **Lockhart Stadium** - Is located in Fort Lauderdale and is used for high school soccer games, as well as home to the FAU football team. The stadium has a capacity of 20,450 and was completed in 1998.
- **Fort Lauderdale Stadium** - Is home to the Baltimore Orioles Major League Baseball team for spring training. The stadium has a capacity of 8,340.
- **Mark Light Field** - Is also located on the University of Miami campus in Coral Gables and is used by the baseball team. It has a capacity of 5,000 people and contains no suites or club seats.



#### **IV. COMPARABLE STADIUM AND COMPARATIVE MARKET ANALYSIS**

## COMPARABLE STADIUM AND COMPARATIVE MARKET ANALYSIS

This section analyzes various factors that will affect the demand and performance of a new football stadium on the campus of Florida Atlantic University. The section includes an overview of collegiate sports facilities, a comparison of Sun Belt Conference facilities, an analysis of other comparable facilities, and other relevant issues.

### Stadium Industry Overview

Football stadiums are different than arenas, in as much as they are generally single tenant oriented. Additionally, many stadiums have been expanded and upgraded, rather than built new. As a result, there has not been a tremendous amount of new stadium development at the NCAA Division I-A level. According to industry research, only six I-A football venues have been built in the last 17 years, including facilities for the University of Connecticut, Southern Methodist University, University of Louisville, Rutgers University, University of Central Florida and Marshall University. In addition, there is also another stadium planned to be opened in 2008 on the campus of Florida International University. In these markets, the facilities have been developed to replace completely obsolete stadiums, address new entries into the football realm, or as in Southern Methodist University's case, to reestablish the school's football program after its NCAA sanctions. At both the professional and collegiate levels, new stadium construction in large markets has mainly served to replace existing facilities that have become functionally worn out and financial drains for long-term tenants.

Universities are becoming more cognizant of the multiple benefits of new athletic facility development based on the proven value of new revenue streams and the increased expectation from spectators, students, alumni, and the general community for more comfort and amenities. Historically, a typical university stadium facility was relatively sparse, with few modern amenities, and no emphasis on the fan experience. However, institutions of various sizes across the country have recently developed, or are planning to develop, stadiums and arenas based on the professional facility model, with premium seating, numerous advertising opportunities, private clubs, and other amenities to generate revenue and to improve attendees' event experience.

Arenas have led the way, but more football stadiums will be built. FAU is a classic example of a university in need because it is both relatively new to collegiate football and because its temporary stadium needs to be replaced. FAU uses the off-campus, Lockhart Stadium, but as a University, it is moving upward, hoping to join a new conference. FAU has begun to develop in-state rivalries and also must

compete with the University of Florida, Florida State University, University of South Florida, and the University of Miami, among many other national schools for talent. The stadium is a key tool to grow the Campus's identity both within the State and nationally. And, in the case of FAU and Lockhart Stadium, Lockhart does not meet FAU's growing needs, does not afford the kind of amenities that have come to be expected of such sports venues, is not located on (or even very near) campus and, more importantly, Lockhart is slated for demolition as soon as next year (see [Lockhart Stadium Footnote](#) at the end of this Section for more information on the potential impact of this situation).

In a university setting, these new and redesigned facilities can have a wide variety of benefits. In terms of recruiting, prospective student-athletes place a great deal of importance on a school's training and competition facilities, and this can have a direct impact on the quality of a school's athletics program. The success of an athletics department, in turn, can positively affect a university's exposure, and it has been shown there is often a correlation between athletics success and increased applications for student enrollment. In addition, in most cases, the development of a new facility with amenities, such as luxury suites, is not simply perceived as a new method to leverage dollars from alumni and other supporters, but is seen as providing a product supporters are willing to pay for, take pride in, and value greatly. It also serves as a vehicle to keep alumni, the community, and other supporters connected to a university and its campus.

More recently, budgetary limitations and decreased public funding (and in many cases, private donations) have forced institutions to be more creative and aggressive in developing new revenue streams to support programs and services. Depending on a number of factors, such as capital costs, developing new athletics facilities can potentially be one method of increasing both operating revenues as well as alumni donations.

Throughout the country, these new building models have also shown they can generate revenues previously only found in major event and professional sports venues. Prior to recent years, it was uncommon for a minor-league or collegiate facility to feature luxury suites, club seats, or premium restaurants and clubs. These features are now ubiquitous in new or retrofitted facilities, regardless of market or venue size.

In addition, naming rights and sponsorship programs have also become more common among minor league and collegiate facilities. In the past, facility development and ownership was primarily the responsibility of the public sector, the availability of these revenue streams has made private ownership a viable option. Given the right circumstances, these facilities can generate an acceptable return on investment to public or private owners, rather than serving purely as a public service to a municipality's citizens or a university's students. Typically,

common circumstances include strong management, effective event programming and the presence of anchor tenants, public-sector investment such as tax rebates, and other funding support for infrastructure and related features such as parking.

## Survey Results

In order to understand the level of interest among the FAU community for the proposed football stadium at FAU, Johnson Consulting conducted a Web-based survey of a sample of selected members from the faculty, student and alumni ("University Survey"). Further, Johnson Consulting conducted a similar survey with the Boca Raton Chamber of Commerce; the surveys were launched via email through names given to Johnson Consulting by chamber records ("Chamber Survey").

### University Survey Results

The University Survey consisted of questions ranging from current involvement in FAU athletics, potential interest in FAU football, interest in premium seating opportunities, and sponsorship and advertising opportunities. We received 677 responses to these questions. Although the results of a similar survey conducted for UCF are proprietary to the client, we can disclose that the rate of return for our FAU survey was greater than was received for UCF, this larger response rate along with the following summary of those responses indicates greater interest in the market for a football stadium. Below are some of the findings based on those responses:

- Of the 677 responses, only 18% of the respondents currently have tickets to FAU athletics.
- Eight percent (or 56 people) have a strong to definite interest in leasing a suite at the new FAU on-campus football stadium, 18% have a fair interest in leasing suites.
- Two percent of the respondents would pay more than \$60,000 for a suite, 2% would also pay between \$55-60,000 for a suite and 7% indicated they would pay between \$50-55,000 for a suite lease. The overall total number of people who indicated a willingness to pay \$50,000 or more is 59, which, if each did, in fact, do so, would exceed the total suites available.
- Eighty percent of the respondents indicated they were willing to sign 3 year leases for the suites, 13% responded saying they were willing to sign 5 year leases and 7% indicated they were willing to sign 7 year leases. Once again, the 13%(60 people) who are willing to sign 5 year leases exceeds the number of suites available, which gives an indication of a strong interest in the market.

- Twenty five percent of the respondents have indicated they have a strong interest in purchasing club seats and 9% have a definite interest in purchasing club seats.
- Twenty five percent of the respondents have indicated they would pay between \$500-1,000 for each club seat package, 11% indicated they would pay between \$1,001-1,500, and 5% indicated they would spend between \$1,501-2,000 for each club seat package.
- Thirty eight percent of the respondents indicated they were very interested in purchasing season tickets for FAU football games and 40% indicated they were somewhat interested. Overall 523 of the 677 people who responded have an interest in FAU season tickets.
- 93 people (or 14% of the respondents) indicated they are interested in advertising and naming opportunities at the new stadium, and 30% indicated they were not sure given the overall positive results it can be inferred that an early success of ticket sales and marketing efforts can turn some of those responses into “yes”).

## Chamber Survey Results

The Chamber Survey results were very similar to the University Survey. The Chamber Survey was sent out via email to over 25,000 members; and, we received 134 responses in six days. Results for the Chamber Survey are as follows:

- Only 15% of the respondents currently have season tickets to FAU athletic events.
- Twenty five percent of the respondents believed they had a fair interest in the new luxury suites, 13% had a strong interest in the suites, and 2% had a definite interest in the suites.
- When giving their opinion about the price of the suite: 12% of the respondents believed they would pay \$50,000 or more for a luxury suite lease with 3% willing to pay over \$60,000.
- Seventy eight percent of the respondents said they were willing to sign a three year lease for the suites, 16% said they would sign a five year lease and 6% would sign a 7 year lease.
- The results for club seats fared better than the luxury suites, with 12% of the respondents indicating a definite interest in club seats, 31% having a strong interest in club seats and 22% having a fair interest in club seats. If the sales team can follow the selling of suites with the same idea for club seats, the fair interest people will soon to be strongly interested.
- Three percent of the respondents said they would pay between \$1,501-2,000 for each club seat package, 18% said they would pay between \$1,001-1,500 and 31% said they would pay between \$500-1,000.

- Fifty two percent of the people believed they would only be interested in leasing a club seat for one year, 33% indicated a three year lease and 15% indicated a five year lease.
- Forty one percent of the respondents were very interested in purchasing season tickets for FAU football games and 36% were somewhat interested.
- An interesting note is 21% of the respondents believed that the quality of FAU’s opponents would impact their interest in purchasing tickets and premium seating opportunities.
- Thirty percent of the respondents indicated “yes” they are interested in either naming or sponsorship opportunities, 32% percent indicated they are not sure.

### New Collegiate Stadium Analysis

A detailed analysis of specific football stadiums that are comparable and relevant to the one planned for FAU appears later in this section. Since only six Division 1-A football stadiums have been built in the last 15 years or so, the choices for comparable facilities are limited. Three of the most recently completed and the soon to be completed FIU Stadium are discussed below as the most comparable with the remaining being somewhat less comparable having been completed over 10 years ago. The majority of collegiate football programs look to renovations in order to meet the requirements of additional seats and improved amenities, due to space requirements and limited available funds. However, some programs have determined a new facility would best meet the needs of their football programs as has FAU done. Table 4-1 summarizes the six new stadiums undertaken within the last 17 years and includes the capacity of the soon to be completed FIU Division 1-A football stadium project (rather than the capacity of their current stadium as reported in Section 3.

**Table 4-1**

Recent University Stadium Development						
Facility	University	Location	Year Opened	Capacity	# of Luxury Suites	# of Club Seats
FIU Football Stadium	Florida International University	Miami, FL	2008	18,000	19	1,400
Bright House Network Field	University of Central Florida	Orlando, FL	2007	45,000	24	822
Rentschler Field	University of Connecticut	East Hartford, CT	2003	40,000	38	4,480
Gerald J. Ford Stadium	Southern Methodist University	Dallas, TX	2000	32,000	24	537
Papa John's Cardinal Stadium	University of Louisville	Louisville, KY	1998	42,000	26	0
Rutgers Stadium	Rutgers University	Piscataway, NJ	1994	45,000	0	0
Marshall University Football Stadium	Marshall University	Huntington, WV	1991	40,000	21	0

*Source: Revenues from Sports Venues, Johnson Consulting*

Completed in 2007, Bright House Network Field at UCF is the newest of Division 1-A stadium and has 40,000 seats. None of these recently constructed stadiums approach the size of the largest in Division 1-A with capacities of over 100,000 people. The newer Division 1-A stadiums have capacities only slightly greater than the NCAA's minimum requirement of 30,000 seats for Division 1-A programs. As will be discussed for several of the facilities below, reasons other than simply expanding/improving facilities were behind several of these new facilities, including bringing football games back to a more intimate, on-campus location as is the case in FAU.

### Collegiate Stadium Analysis

Universities and colleges across the country have recently begun to take advantage of designs and amenities that have been developed for the latest generation of professional sports facilities. As a result, new and planned collegiate facilities are incorporating premium seating, upgraded finishes, and other characteristics to improve the revenue generation, the potential event and attendee demand, and the overall attendee experience. From a university's perspective, in addition to new revenue opportunities, these improved facilities also help to recruit student-athletes and provide students with better facilities for entertainment and recreation. The following text describes characteristics of stadiums of schools in the Sun Belt Conference of which FAU is a member, in order to summarize the offerings of comparable schools and athletics programs with which FAU will compete most directly for student-athletes.

While FAU football program has been a member of Division I-A football for only a short while, they are not alone in the conference. Recently Troy, North Texas and Middle Tennessee have also joined Division I-A classification and the Sub Belt Conference. The table shows the capacity and 2006 average attendance figures for the stadiums of the Sun Belt Conference.

**Table 4-2**

Sun Belt Conference Stadium Profile								
University	Facility	Enrollment	Year Facility Opened	Capacity	2006 Average Attendance	% Attendance of Capacity	# of Luxury Suites	# of Club Seats
Arkansas State	Indian Stadium	17,400	1927	33,410	19,069	57%	0	0
*Florida Atlantic University	Lockhart Stadium	25,657	1987	20,500	9,276	45%	8	0
Florida International University	FIU Stadium	38,097	1995	17,000	15,110	89%	0	0
University of Louisiana at Lafayette	Cajun Field	16,303	1965	31,000	14,516	47%	0	0
University of Louisiana at Monroe	Malone Stadium	8,576	1978	30,427	18,959	62%	20	100
Middle Tennessee	Floyd/Jones Stadium	22,863	1998	31,000	22,037	71%	0	0
University of North Texas	Fouts Field	32,181	1952	30,500	15,650	51%	0	0
Troy State University	Memorial Stadium	28,875	1963	17,500	20,810	119%	0	0
<i>Average</i>		<i>23,744</i>	<i>1971</i>	<i>26,417</i>	<i>16,928</i>	<i>68%</i>	<i>4</i>	<i>13</i>

Source: Respective Universities, Sun Belt Conference, NCAA.org

While FAU currently plays in one of the smaller stadiums in the Conference, they have not enjoyed a great attendance. In addition, FAU does not own Lockhart Stadium and therefore has very limited access to enhanced revenues opportunities which are limited at the facility, such as luxury suites. While most facilities in the Conference do not currently have luxury suites or club seats, several schools have recently completed renovations, and Florida International University is planning on opening a new 18,000 seat stadium with luxury suites and club seats for the 2008 season.

### **Comparable Facilities**

Johnson Consulting has analyzed a set of facilities in order to help demonstrate the potential for the planned stadium at FAU. Generally, the operations of university athletics facilities such as stadiums are combined with those of other university assets, and operating data for these facilities is not often available. In general, football stadiums are not utilized by many events other than a football tenant, and as a result, their operations are often not separated from other university athletic facilities. However, when available, operating data for football stadiums are shown in this section, as well as projected operations for University of Central Florida and Florida International University.

Although these facilities are located in various types of markets and have slightly different missions and orientations, each exhibit has characteristics relevant to the planned stadium at FAU. For this analysis, the following facilities are analyzed:

- Rentschler Field, University of Connecticut in East Hartford, Connecticut,
- Gerald J. Ford Stadium at Southern Methodist University in Dallas, Texas,
- Bright House Network Stadium at University of Central Florida in Orlando, Florida, and
- FIU Stadium at Florida International University in Miami, Florida.

#### **Rentschler Field, University of Connecticut in East Hartford, Connecticut.**

Home of the University of Connecticut (UConn) football program, Rentschler Field (Rentschler), is located in East Hartford, Connecticut, and is approximately 24 miles east of the main UConn campus. UConn recently was re-classified as a Division I-A program and has seen great success associated with the addition of a new stadium. Rentschler was completed in 2003 at a cost of \$91.2 million. Named for Pratt & Whitney founder, Frederick Rentschler, the land for the field was donated by Pratt & Whitney's parent company, United Technologies Corporation. Rentschler is owned by the State of Connecticut (State) and is managed by Madison Square Garden (MSG).



The playing field at Rentschler is natural grass and has a large enough playing area to fit a regulation international soccer field. Rentschler has 40,000 seats, including 726 indoor and 3,754 outdoor club suites. The indoor club suites cost \$40 per game per seat on top of an annual \$1,400 donation. The indoor club suites are serviced by a 325-seat lounge, which is also used for approximately 15 to 20 other events throughout the year. Each outdoor club seat costs \$35 per game with a \$625 annual donation. Thirty-eight luxury suites are also available at an annual price of \$50,000 for a term of five years. Concessions for all Rentschler functions are provided by Sodexo.

The original intention was to build a football stadium to lure the NFL's New England Patriots and host the UConn football program. After the Patriots decided to stay in Massachusetts, the State of Connecticut and the town of East Hartford were able to modify the plans and funding for UConn. UConn has a lease agreement with the State, in which UConn agrees to host ten events annually at Rentschler, with a monetary penalty being levied if this is not fulfilled. Memorial Stadium was the previous home of UConn football, which, with only 16,200 seats, did not have sufficient seating capacity to meet the 30,000-seat requirement of the NCAA for a football program to be eligible to compete in Division 1-A. UConn football is now a member of the Big East conference.

Table 4-3 summarizes the event and average attendance demand at Rentschler during the 2003 season.

**Table 4-3**

<b>Rentschler Field</b>				
<b>Event and Average Attendance Data</b>				
<b>Type of Event</b>	<b>Fiscal Year 2003</b>		<b>Fiscal Year 2004</b>	
	<b>Number of Events</b>	<b>Average Attendance</b>	<b>Number of Events</b>	<b>Average Attendance</b>
UCONN Football	6	37,059	7	39,304
Concerts	2	na	0	0
H.S. Football	1	3,500	1	1,000
Soccer	0	0	2	15,000
Rugby	0	0	1	5,800
Other Sports	3	na	1	na
Total	12	--	12	--

*Source: UCONN, Madison Square Garden, Johnson Consulting*

As the table shows, Rentschler has hosted 12 events in each of its first two years of operation. The majority of events are UConn football games, with six to seven games hosted annually at Rentschler with average per game attendance of

approximately 37,000 people. In 2002, the year prior to opening of Rentschler, the average attendance at a UConn football game was approximately 15,800. In its first year of operation, Rentschler hosted two Bruce Springsteen concerts, which according to management, was the result of a unique circumstance provided through MSG, the stadium management firm, and does not represent the type of events targeted by Rentschler. This is evident in event information for the most recent year of operation for Rentschler. In fiscal year 2004, Rentschler hosted only events that were sports oriented. In addition to seven UConn football games, Rentschler hosted a U.S.A. Women's vs. China Soccer match, an international soccer match, a U.S.A. vs. France rugby match, and a high school football game. In addition, MSG has been in discussion with a second-tier outdoor soccer league to possibly host games at Rentschler.

Table 4-4 summarizes the operating revenues and expenses of Rentschler for fiscal year 2003.

Table 4-4

<b>Rentschler Field Operating Proforma</b>	
	<b>Fiscal Year 2003</b>
<b>Operating Revenue</b>	
Event Revenue	\$2,652,195
Suites & Club Seats <sup>1</sup>	135,206
Advertising and Sponsorship	14,581
Concessions <sup>2</sup>	858,150
Parking <sup>3</sup>	762,535
Other	1,039
<b>Total Operating Revenue</b>	<b>\$4,423,706</b>
<b>Operating Expenses</b>	
Event Operations	\$1,844,759
Facility Operations	874,672
Suites & Clubs	38,004
Parking	224,865
Administration	311,114
Other	41,466
<b>Total Operating Expenses</b>	<b>\$3,334,880</b>
<b>Management Fee &amp; Incentives</b>	<b>\$892,441</b>
<b>Net Operations Income</b>	<b>\$196,385</b>

<sup>1</sup> Non University events.  
<sup>2</sup> Total net concession revenue.  
<sup>3</sup> All events.  
Source: Madison Square Garden, Johnson Consulting

As the table shows, total operating revenue for Rentschler in fiscal year 2003 was approximately \$4.4 million with total operating expenses of approximately \$3.3 million. All tickets revenues and sales for UConn football games are handled by the university. MSG charges an annual management fee of \$175,000, with other incentives given depending on performance of the facility. Total management fees and incentives totaled approximately \$890,000 in fiscal year 2003, for an approximate \$200,000 net operations income. The net operations income is available to the State to pay for debt service and other capital items for Rentschler. A cost saving measure of Rentschler was to use the State's insurance to cover the facility itself and also to absorb a portion of MSG's insurance liability to operate the facility as well.

Table 4-5 shows the estimated per capita for concession sales for Rentschler.

**Table 4-5**

<b>Rentschler Field</b>	
<b>Estimated Concessions Per Cap</b>	
Net Concession Revenue <sup>1</sup>	\$858,150
Estimated Gross Concession Revenue <sup>2</sup>	\$2,145,375
Estimated Total Attendance	330,000
Concessions Per Cap	<u>\$6.50</u>

<sup>1</sup> Includes sale of alcoholic beverages.  
<sup>2</sup> Net concession revenues divided by 40 percent.  
 Source: Johnson Consulting

Concessions per capita are estimated to be \$6.50. This is based on estimated gross concession revenues of \$2.1 million and estimated total attendance of 330,000 people. Rentschler serves alcohol at its events, as evident by the high concession per cap figure.

Rentschler provides an excellent example of how a well-managed and positioned facility is able to operate at a profit with a limited number of events that it is able to host. By hosting emerging sports and having a flexible field, Rentschler has been able to operate efficiently, even with a limited potential number of events it can host.

### Gerald J. Ford Stadium at Southern Methodist University in Dallas, Texas

Gerald J. Ford Stadium (Ford Stadium) is host to the Southern Methodist University (SMU) football program and is located in Dallas, Texas. Ford Stadium was completed in August 2000 for a total cost of \$58 million, of which \$24 million was donated by Gerald J. Ford, with the remainder being raised from other private donations. SMU owns and manages Ford Stadium with concessions being contracted to Sodexo.

Like FAU, the intention of Ford Stadium was to bring renewed interest to SMU football by bringing home games back to campus. SMU's football program was suspended by the NCAA in the 1980's for numerous rule violations. SMU had played its home games at the Cotton Bowl and Texas Stadium (home of NFL's Dallas Cowboys). Ownby Stadium was the SMU's on-campus facility with seating for approximately 15,000. A \$32 million renovation of Ownby was passed on in favor of demolishing the old stadium and replacing it with Ford Stadium.

Ford Stadium has seating for 32,000 with 537 club seats and 24 suites. The new stadium has generated renewed interest in SMU football and has 9,000 season ticket-holders. Suites are available for \$25,000 for a term of three to five years. Club

seats are available for \$500 annually. The design of Ford Stadium allows for future expansion for a total of 45,000 seats.

The number of events hosted at Ford Stadium is severely restricted by local ordinances. Ford Stadium is located in a residential area of north Dallas and is bordered by two affluent north Dallas suburbs. Only SMU sponsored, intercollegiate events, two regular season high school football games, and an unlimited number of high school playoff games may be hosted at Ford Stadium. Approximately six SMU football games are hosted annually. Attendance for SMU football games varies widely, with regional opponents, such as Texas Tech drawing capacity crowds of 34,000 people; however, average attendance for all SMU football games is approximately 18,000 people. In 2004, Ford Stadium hosted three high school games, with average attendance for each games ranging from 12,000 to 14,000. SMU selectively markets high schools to help SMU lure top prospects or draw large crowds for teams with other top prospects.

Since Ford Stadium is restricted in terms of hosting events outside of SMU football, specific financial detail is very limited, especially in terms of revenues. However, Table 4-6 displays a total of game day expenditures for Ford Stadium for fiscal year 2003.

**Table 4-6**

<b>Gerald J. Ford Stadium Game Day Expenditures</b>	
	<b>Fiscal Year 2003</b>
<b>Game Day Expenditures</b>	
Building Services	\$157,083
Security	44,625
Paramedics/Fire	16,290
Rentals	8,727
Chain crew/ball boys/etc.	5,453
Concessions	4,255
Trash	3,935
Other	15,306
<b>Total Game Day Expenditures</b>	<b>\$255,673</b>
<i>Source: Southern Methodist University, Johnson Consulting</i>	

Over half of all expenditures are for building services, which includes any cosmetic repairs made to Ford Stadium. The second largest game day expenditure category is security, which includes payments made to four separate police departments for

traffic control around Ford Stadium on game days. The above expenditures are for seven SMU football games and two other SMU events.

While specific data on Ford Stadium is limited, it does set the precedent for returning home football games to facilities on campus. Benefits of relocating the SMU football team to campus increased overall interest in SMU football, particularly in terms of season ticket sales.

### **Bright House Networks Stadium at University of Central Florida in Orlando, Florida**

Bright House Networks Stadium on the campus of University of Central Florida (UCF) is the newest college football stadium built in the country. The 45,000 seat on-campus stadium has just opened its doors for the 2007 season and will kick-off with UCF playing national powerhouse University of Texas Longhorns. The stadium is located in Orlando, Florida on the north end of campus. The stadium was part of a \$60 million dollar plan to incorporate roads, infrastructure costs and new practice fields. Of the \$60 million cost, almost \$29 million was raised in private donations, along with the help of Bright House Networks to sell suites and club seating. The key to the stadium project was no student funds or public money was used to get the stadium built.

UCF is similar to FAU in that both are programs trying to attain an identity as a school offering high quality football as well as academic excellence. UCF did not play home football games on-campus last season; the same is true of FAU. The ability to have an on-campus stadium helps in the recruiting of top athletes. Also, the addition of a stadium on-campus helps with overall student and community involvement with the University and its football program. Currently, UCF has sold out all of its 24 luxury suites and 822 club seats for this season even before playing its first game at the new stadium.

Actual stadium revenues and expenses have not yet been recorded. However, we have been informed that the preliminary figures are exceeding the projections we made in 2006. Table 4-7 presented below shows the projected operating revenues and expenses from that study conducted by Johnson Consulting in 2006.

Table 4-7

<b>Bright House Networks Stadium Projected Operating Proforma</b>	
<b>Operating Revenue</b>	<b>Projected 2007-2008</b>
Ticket Sales	\$1,919,000
Suites/Club	1,571,000
Advertising/Sponsorships	180,000
Naming Rights	698,000
Concessions	338,000
Parking	495,000
Other	90,000
<b>Total Operating Revenue</b>	<b>\$5,291,000</b>
<b>Operating Expenses</b>	
Staff	\$313,000
General and Administrative	180,000
Utilities	150,000
Repairs and Maintenance	240,000
Insurance	32,000
Communications	80,000
Advertising	27,000
Other	50,000
Game Day	160,000
<b>Total Operating Expense</b>	<b>\$1,232,000</b>
<b>Net Operating Income</b>	<b>\$4,059,000</b>

*Source: Johnson Consulting, UCF*

As indicated in the table, the projected operating revenues for the 2007 football season will be \$5.3 million and projected operating expenses will be \$1.2 million, giving the stadium an annual net operating income of just over \$4 million dollars. All revenues from ticket and luxury suites/club seat sales will go directly to the University, along with all revenues from parking. Another item of note not covered by the table above is the \$1 ticket fee added to every ticket sold. It is assumed there will be roughly 80,000 paid attendees throughout the season contributing an extra \$80,000 in revenue annually.

Events at the new stadium will only be UCF football games, which will be either six or seven games, depending upon the season. Attendance at the new stadium beginning with its inaugural season is projected to be 23,000 a game for a total of 138,000 people for a six game season. Potentially this number will increase with the excitement surrounding the new stadium.

### FIU Stadium at Florida International University in Miami, Florida

FIU Stadium on the campus of Florida International University will be the newest stadium in Division I-A football in the 2008 season. As FAU is currently in the early phases of new stadium planning and FIU is in the early stages of constructing

theirs, the competition between FAU and FIU for players and other revenue sources will be the most direct. As such, FIUs' new stadium provides a very comparable situation of import to FAU's plans.

Currently under construction, FIU's stadium is intended to be built in multiple phases, the first phase, which is currently underway, will include an 18,000 seat stadium, 1,400 club seats, and 19 suites. Total volume of sales has not been noted or reported. In the later phases, stadium seating will reach a total of 45,000 seats. However, it has not been determined if the total number of club seats and luxury suites will also be increased.

The FIU Stadium will be the only on-campus stadium south of Orlando since FAU plays at Lockhart Stadium and University of Miami plays at the Orange Bowl before switching to Dolphin Stadium for the 2008 season. But, with FAU planning a new and larger on-campus stadium, FAU's stadium would become the focal point of on-campus stadiums south of Orlando.

Below in Table 4-8 are the projected operation revenues and expenses for the 18,000 seat stadium that Johnson Consulting completed in 2006.



Table 4-8

<b>FIU Stadium Projected Operating Proforma</b>	
<b>Operating Revenue</b>	<b>Projected FY 2008</b>
Ticket Sales	\$505,000
Special Events	68,000
Luxury Suites/Club seats	908,000
Advertising/Sponsorships	225,000
Naming Rights	651,000
Concessions	190,000
Parking	62,000
Other	37,000
<b>Total Operating Revenues</b>	<b>\$2,646,000</b>
<b>Operating Expenses</b>	
Staff	\$63,000
General and Administrative	75,000
Utilities	120,000
Repairs and Maintenance	240,000
Advertising	38,000
Game Day	177,000
<b>Total Operating Expenses</b>	<b>\$713,000</b>
<b>Net Operating Income</b>	<b>\$1,933,000</b>

*Source: Johnson Consulting, FIU*

As the pro forma shows, FIU is projected to have a net operating income of just under \$2 million dollars in the FY 2008. All revenues generated from ticket sales and premium seating will go directly to the University. However, one difference between UCF and FIU is FIU's stadium in Miami will also host extra events in the form of high school football games, which will generate an additional \$70,000 annually. Club seats have been priced at \$400 per seat per season for the 1,400 seats thereby potentially generating \$560,000 per season, and luxury suites priced at \$28,000 per suite for 19 suites would generate \$375,000 in annual revenues. Revenues generated will go towards paying back the debt service created by the bonds sold to fund the new stadium.

Current event projections for the FIU Stadium have not been absolutely determined, but based on projections FIU will have six home football games a season, 30 high school games and two entertainment events. FIU Stadium will therefore will be used a combined 38 times over the course of a year.

### Orlando MSA and Miami MSA Arena, Venues and Stadium Comparison

Johnson Consulting compiled market statistics for total venue seating in the market areas of the Orlando MSA and Miami-Fort Lauderdale MSA, as well as average

total suites, club seats, and venue size. Also, added is the total number of business establishments in order to gauge possible interest of sponsorships and naming rights in the areas.

**Table 4-9**

<b>Florida - Venues, Arenas, and Stadium Analysis</b>			
	<b>Orlando</b>	<b>Miami-Fort Lauderdale</b>	<b>Variance</b>
MSA Populations	1,966,680	5,519,565	3,552,885
Total Venues	7	7	-
Total Seating	160,298	241,598	81,300
Seat per person	0.08	0.04	-54%
Total Luxury Suites	130	338	208
Total Club Seat's	3,800	1,461	-2,339
Avg Venue Size	22,900	34,514	11,614
Total Business Establishments	84,129	183,371	99,242

*Source: Johnson Consulting, Respective Facilities and City Websites*

Observations regarding the comparison between Miami and Orlando metro statistical areas in relation to the venue analysis are highlighted below:

- Comparing MSA populations is crucial in determining the size of the market which can be penetrated for season tickets and premium seating sales opportunities. With over 3.5 million more people in the Miami MSA than the Orlando MSA, FAU has a much larger market to penetrate and can reach a greater number of people with information via television, radio, and mass mailings about its athletic offerings.
- Currently, both cities have an equal number of venues to house athletic events. In Orlando, the largest Division I-A football stadium is the new Bright House Networks Stadium on the campus of UCF. Miami's largest Division I-A school--the University of Miami--plays in the Orange Bowl. Other major venues in Orlando are the Citrus Bowl (former home to UCF), TD Waterhouse Center (Orlando Magic, NBA), and the St. Pete Times Forum (Tampa Bay Lightning, NHL). Miami has similar venues, but many are newer or recently upgraded. Dolphin Stadium serves as home to the Miami Dolphins (NFL) and Florida Marlins (MLB) with the University of Miami joining them there for the 2009 season. The Miami area also has the Office Depot Center, American Airlines Arena (Miami Heat, NBA, 2006 National Champions) and the BankAtlantic Center in Fort Lauderdale (Florida Panther, NHL).
- While looking at total venues, it is also noted the total number of seats available in each market. Although Miami enjoys an advantage of over 81,000 seats; that advantage becomes a disadvantage of 54% less seats per

person when calculated based upon the respective area populations. This comparison gives an indication of a need for either larger facilities or more facilities in the Miami area.

- In analyzing total luxury suites each market has a different dynamic. Miami with a much larger population base has more luxury suites available in their respective facilities. Miami's facilities have 338 suites, although this number is skewed because Dolphin Stadium has 240 suites. Orlando on the other hand has 130 suites with a majority of those come from the 80 available at the St. Pete Times Forum.
- While Miami has a larger luxury suite base, they are failing to produce a corresponding number of club seats. They currently have 1,461 club seats available compared to Orlando, which has 3,800 club seats available. With the addition of clubs seats being added by the new FIU Stadium and proposed FAU stadium, these numbers will balance out.
- Average venue size corresponds to the population base, with a much larger market in Miami the need for larger facilities is represented by a greater average venue size. In Orlando, the lack of an NFL team plays a major role in the venue size discrepancy.
- Total business establishments are a very good indicator of the potential market for premium seating, naming opportunities, and advertising. In Orlando with its emphasis on the hospitality and tourism industries, there are a much fewer total number of establishments. In Miami, with its broader based economy, there is a much greater opportunities for the sale of naming rights, advertising and premium seating total as well as greater demand for such opportunities, which generally equates to higher prices.

## Conclusions

Stadiums are traditionally limited in the number and types of events they can host due to either lack of events or restrictions of the facility. The building of a new collegiate stadium is generally undertaken to fill a perceived gap in a program by the limitations of the existing facility, as outlined in each of the comparable facilities. By building a stadium on campus, FAU will be able to spark additional interest in its emerging football program. By having its own designated stadium, FAU will be able to further formulate its own identity in a stadium it can truly call home. In addition, with the offering of increased amenities, such as luxury suites, FAU will be able to draw further corporate and sponsor dollars by offering the types of facilities that these groups expect and often demand, particularly since the total business establishments in the MSA is far greater than most in the state.

Football, like auto racing, defies demographics. Small cities, like Lincoln, Nebraska, Tallahassee, and Gainesville each attract full stadiums. It becomes the event for the community during college weekends. Boca Raton and Fort Lauderdale have other entertainment options and FAU's program is in its infancy. If a higher quality stadium is added at FAU and the program builds as expected, we anticipate a significant level of attendance growth over a ten year period, but have used a conservative projection for this analysis.

### **Lockhart Stadium Footnote-**

As indicated in the above report, news sources are reporting a deal with the Baltimore Orioles to expand and renovate the Orioles spring training facility adjacent to Lockhart Stadium. As part of these plans, the City of Fort Lauderdale will demolish Lockhart Stadium to make way for the expanded baseball facility. Some reports indicate demolition could take place as soon as late in 2008. If this were to take place on this schedule (which is by no means a certainty at this point in time), it is possible FAU football will need a temporary home for either the 2008 season or 2009 season, or perhaps even both seasons.

Under this scenario, we believe FAU would have three options:

- 1) Lease an existing stadium, such as the Orange Bowl or Dolphins Stadium, as was done in the past; or
- 2) Configure a temporary stadium on campus, perhaps at the site of the track and field facility; or
- 3) Play all games on the road.

While this report is not intended to fully address these possibilities and all the costs, expenses and revenue sources associated with them, we do wish to provide some very basic "food-for thought" in this regard.

Leasing an existing stadium was not very successful for FAU in the past from what we have been told. It is believed this option could cost in the neighborhood of between \$80,000 and \$100,000 per game versus \$25,000 per game for Lockhart Stadium. Leasing an existing stadium would also not address what is one of the more significant problems with Lockhart Stadium – the lack of proximity to campus and FAU's students, staff and majority of alumni. Assuming a six home game season and an average ticket price of \$15 with attendance at the same level as at Lockhart, leasing a stadium would cost up to \$600,000 per season and would generate about \$990,000 in ticket sale revenue (11,000 paid attendance per game for six games, which is probably unlikely in light of the even greater distance such a leased facility would likely be from campus and FAU's fan base). It should also be

noted FAU would be leasing and therefore would not “control” the facility for advertising and other purposes.

In the case of a temporary stadium with modular seating obtained on a two year lease, we have information indicating that a 17,000 seat configuration (assuming it would fit on the site) would cost about \$460,000 per year (not including the leasing of an elevated press and coaches box, “sky” boxes, rest room and concession facilities, which could run up to another \$600,000) based upon 10,000 bench seats at \$25 per seat per year and 7,000 “chair back” seats at \$30 per seat per year. Assuming paid attendance would increase by having the games on campus (as is being presumed in the new stadium analysis) to say 14,000 per game at the same average ticket price, ticket sale revenue would be \$1,260,000. In addition, “control” over this temporary facility would allow FAU to transition into its naming rights and advertising programs for the new stadium by either selling or packaging these rights for the temporary and new stadiums. However, it should be noted there could also be some significant additional other preparatory costs associated with this option for site work, electrical, sound system, scoreboard and other costs necessary to make the temporary site ready to accommodate a modular stadium.

As for the third possibility of all away games, this option too has its costs and hardships as well as its revenues and benefits. Among the costs and hardships would be:

- Loss of all usual ticket and concessions sales and all advertising revenues
- Approximate doubling of the team’s travel budget
- Additional loss of class time for the student athletes due to additional travel
- Negotiation of deals with other schools for shares of the additional revenue each of the school’s would have for the added home game to offset costs to FAU.

On the other hand, FAU could possibly benefit by playing all of its games on the road for one or two seasons from:

- Having some of the costs offset as indicated above
- Foregoing all the other costs associated with the other options.

While this topic certainly merits more in depth review if it becomes more likely Lockhart Stadium will not be available before FAU gets a new stadium, these preliminary indications suggest that all of these temporary solutions are wrought with a host of difficulties as well as their respective benefits.

## **V. FACILITY DEMAND AND FINANCIAL PROJECTION**

## **FACILITY DEMAND AND FINANCIAL PROJECTION**

Johnson Consulting projected the demand for the football stadium and also developed financial projections for the stadium over a 10 year period. The projection is based on comparable facilities' operations, the evolving characteristics of the university and the expected surrounding development, and trends that are likely to affect the facility in the future. It is assumed that the stadium will have a permanent seating capacity of approximately 30,000 people. The projection also assumes that the stadium will open in the fall of 2010. The first year of the projection is FY 2010-11, which will accommodate an entire college football schedule. (Fiscal Year runs from July 1 through June 30).

### **Confirmation of Facility Offerings**

In order to support our projections that appear later in this section, Johnson Consulting first confirmed the potential size of the football stadium on the campus of FAU, including number of seats, luxury suites, and club seats by comparing the building program as it currently exists, to other Sun Belt Conference venues as well as the comparable examples discussed in Section 4.

Working with the University, we have assumed the stadium will have a capacity of approximately 30,000 seats, 20 leasable luxury suites, and 1,000 club seats. As stated earlier in this report, the stadium will be financed through a university support organization and operated through the University.

Based on the building program provided by FAU, the new stadium on the campus of FAU is proposed to consist of the following elements:

- 30,000 seats,
- 1,000 club seats with a club level and traditional seating, and
- 20 leasable luxury suites.

In order to compare the building program at FAU with other collegiate stadium developments, Table 5-1 displays the capacity, average attendance, number of luxury suites, number of club seats, and the occupancy rates for the premium seats for stadiums in the newly aligned Sun Belt Conference.

**Table 5-1**

Sunbelt Conference Stadium Capacity and Average Attendance								
School	Stadium	Enrollment	Year Facility Opened	Facility Capacity	2006 Average Attendance	Attendance % of Capacity	# of Luxury Suites	# of Club Seats
Arkansas State University*	Indian Stadium	10,775	1927	33,410	19,069	57.1%	0	0
Florida Atlantic University	Lockhart Stadium	25,657	1987	20,500	9,276	45.2%	8	0
University of Louisiana at Lafayette	Cajun Field	16,333	1965	31,000	14,516	46.8%	0	0
University of North Texas	Fouts Field	32,181	1952	30,500	15,650	51.3%	0	0
University of Louisiana at Monroe	Malone Stadium	8,576	1978	30,427	18,959	62.3%	20	100
Middle Tennessee State	Floyd/Jones Stadium	22,863	1998	31,000	22,037	71.1%	0	0
Troy State University	Memorial Stadium	28,875	1963	17,500	20,810	118.9%	0	0
Florida International University	FIU Stadium	38,097	1995	17,000	15,110	88.9%	0	0
<b>Average</b>		<b>22,920</b>	<b>1971</b>	<b>26,417</b>	<b>16,928</b>	<b>67.7%</b>	<b>4</b>	<b>13</b>

\*Does Not Include neutral site attendance  
Source: Revenues from Sports Venues, US College Search, Johnson Consulting

As the table shows, these facilities vary in size from 17,000 to 33,000 seats. While many of these venues do not offer premium seating, the trend in newer stadium development nationally is to include these types of revenue producing items to increase the amount of contractually obligated income for the stadium. The new FAU football stadium will have a total capacity that is above the average capacity of this competitive set, with approximately 30,000 seats. In addition, the facility will also offer many more premium seating opportunities than the average. In comparing the FAU football stadium with these other facilities, it appears the components are of the appropriate size for the demand it will host, especially given the ambition of FAU’s athletics program development. It is expected that the program will gain in stature and future expansion must be contemplated.

**Demand Projection**

Johnson Consulting projected the demand for the football stadium for a 10-year period. The projection is based on the proposed ground lease agreement with FAU and the existing FAU football schedule (currently using Lockhart Stadium). The new stadium at FAU will be used for home FAU football games, high school football games, and Special events, such as soccer matches and stadium concerts. Table 5-2 summarizes the projected event schedule for the football stadium from FY 2010-11 through 2019-20, by event type.

**Table 5-2**

FAU Football Stadium Projected Schedule of Events by Category and Year										
	'010-011*	'011-012	'012-013	'013-14	'14-15	'15-16	'16-17	'17-18	'18-19	'19-20
FAU Football Games	6	6	6	6	6	6	6	6	6	6
High School Football Games	8	8	8	8	8	8	8	8	8	8
Special Event	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>

\*Fiscal Year runs from July 1 through June 30.  
The new Football Stadium is expected to begin operation in the Fall of 2009.  
Source: Johnson Consulting



We anticipate that once the football stadium opens in the fall of 2010, the facility will operate at maximum efficiency. For this projection, we assume that the football stadium will host six FAU football games, eight high school football games, and one special event, such as a soccer exhibition game or a stadium concert.

Table 5-3 summarizes the projected attendance at the football stadium for a ten-year period.

**Table 5-3**

FAU Football Stadium Projected Total Attendance by Category and Year											
	'010-011*	'011-012	'012-13	'013-14	'14-15	'15-16	'16-17	'17-18	'18-19	'19-20	Stabilized Year Avrg Attendance
FAU Football Games	93,000	92,000	93,600	95,400	97,200	99,000	100,800	102,600	104,400	106,200	16,200
High School Football Games	40,000	40,800	41,600	42,400	43,200	43,200	43,200	43,200	43,200	43,200	5,400
Special Event	15,000	15,300	15,600	15,900	16,200	16,200	16,200	16,200	16,200	16,200	16,200
<b>Total</b>	<b>148,000</b>	<b>148,100</b>	<b>150,800</b>	<b>153,700</b>	<b>156,600</b>	<b>158,400</b>	<b>160,200</b>	<b>162,000</b>	<b>163,800</b>	<b>165,600</b>	<b>10,440</b>

\*Fiscal Year runs from July 1 through June 30.  
The new Football Stadium is expected to begin operation in the Fall of 2006.  
Source: Johnson Consulting

Total attendance at the football stadium is projected to be approximately 148,000, recognizing a first year boost, falling slightly because of the waning of the novelty effect, then slowly rebuilding 156,600 in 2014 (stabilized year). Average attendance for a FAU football event is described in more detail below.

- **FAU Football** - is currently held at Lockhart Stadium, but will move to the FAU Football Stadium once it opens in the fall of 2009 (FY 2009-10). The new stadium is expected to host six football games each season, 8 high school games, and one special event. Based on the lure of a new stadium, an improving football program, the average attendance from the Sunbelt Conference and comparable universities, average attendance is projected to reach 20,300 per game in 2013-14 (stabilized year). This is a conservative estimate of attendance, especially as the football program continues to grow its national reputation. Current ambitions of moving into a more prominent athletic conference will also raise attendance in the subsequent years.
  - Supporting the FAU Football attendance assumptions, we reveal two points:
  - When new stadiums have opened, their teams have experienced substantial jumps in attendance, as seen below:

**Table 5-4**

Stadium Opening Attendance Comparison					
School	Prior Stadium	Prior Stadium	New Stadium	New Stadium	Change
	Total Attendance (Yr)	Avg. Attendance (Yr)	Total Attendance (Yr)	Avg. Attendance (Yr)	
University of Connecticut (02/03)	94,843	15,807	222,356	37,059	134%
Southern Methodist University (99/00)	98,127	19,625	130,888	21,815	11%
University of Louisville (97-98 estimated)	168,000	28,000	238,071	39,679	42%
Average Increase					<u>62%</u>

*Source NCAA; Johnson Consulting*

Reported attendance for football has been going through substantial change and apples to apples comparisons over time no longer are available. At this juncture, FAU reports approximately 9,800 attendees to the game for 2006, while approximately 11,000 have "paid". Physically, FAU's stadium change will be as or more dramatic than each of the situations above as it will shift from a high school venue to a new on campus venue. Growing from 11,000 to 15,500 attendees represents an approximate 40 percent increase, well within the range seen in the examples above.

- o Secondly, based on discussions with FAU athletics, we built up the composition of expected attendance, based on the proposed new housing, the alumni base numbers, size of faculty and staff and student distance from campus. So as the reader can understand the analysis regarding attendance by type, our assumptions are presented below:

Table 5-5

Attendance Substantiation-Future FAU Football Attendance			
Category	Base	Penetration Rate	Attendance Yield
<b>Paid</b>			
Three County Alumni Base	55,000	15%	8,250
Faculty and Staff	3,500	20%	700
<b>Comps</b>			
Students			
On Campus	4,000	40%	1,600
Off Campus	21,000	20%	4,200
Media	400	100%	400
Promotions and Other	400	100%	400
			15,550

Source NCAA; Johnson Consulting

- Based on the fact that Lockhart Stadium is closing, and based on discussions with the former Assistant AD at FIU, and with a representative of the local high school community, there will be opportunities for high schools to use the facility for football, lacrosse and soccer championships. We have recognized a conservative number of events and attendees for this demand category. From our experience, such events are a good marketing strategy for FAU, as graduating students will visit campus and be exposed to the school and facilities and may influence their decision to choose FAU over other schools they may be considering.
- Given the market, we are certain that special events such as a concert or soccer match could be held in the stadium and recognize one such event occurring annually.

### Operating Projection

Similar to the demand projection above, Johnson Consulting projected the financial performance of the new football stadium for the first ten years of operation, based on comparable facilities' operations, the unique characteristics of the local market area, and the planned development on the FAU Campus Masterplan. The projection assumes that the stadium will open in the fall of 2010 (FY 2010-11). Other assumptions include:

- Revenues include all revenues of the facility that can be used for operations and debt service.

- Expenses are categorized into two groups: 1) *Fixed operating expenses*, which are incurred regardless of the level of activity at the facility, and 2) *Variable operating expenses*, which are expenses related directly to the operation and demand of the facility that vary depending on the volume of activity. Some expenses have both a fixed and variable component.
- As the football stadium will be used for a projected 15 events, but mostly for football games, many of the expenses could be the responsibility of the broader Athletics Department. Operating stadiums through other departments is typical and results in a fairly low operating structure for on campus stadiums. Since such policy decisions have not been made by FAU, the projection includes full burdening of operating costs into the stadium. It is estimated that between services being provided by Athletics and other departments, a cost reallocation/ efficiency of approximately 25 percent could be achieved.
- The stadium's projection uses inflated dollars and accrual-based accounting, wherein revenues are recognized when they are earned and expenses are recognized when they are incurred.
- All revenues and expenses are adjusted for inflation at a 2.5 percent annual rate, unless noted elsewhere in the projection.

Table 5-6 shows the projected operating statement for the first ten full years of operation.

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EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

**Table 5-6**

FAU Football Stadium Financial Projection (\$000's, Inflated)											
Ref		'010-011*	'011-012	'012-013	'013-14	Fiscal Year*					'19-20
						'14-15	'15-16	'16-17	'17-18	'18-19	
<b>Operating Revenue</b>											
1	Ticket Sales Revenue	\$1,495	\$1,518	\$1,584	\$1,655	\$1,728	\$1,802	\$1,879	\$1,959	\$2,041	\$2,127
2	Net Concessions	360	368	384	401	419	435	452	469	487	506
3	Net Catering	49	50	51	52	54	55	56	58	59	61
4	Net Novelties	33	34	35	37	38	40	42	43	45	47
5	Net Parking	461	472	485	522	536	548	587	594	602	637
6	Premium Seating, less 7% fulfillment	2,093	2,124	2,156	2,189	2,223	2,466	2,501	2,538	2,575	2,613
7	Advertising and Sponsorship	372	411	421	431	442	453	465	476	488	500
8	Naming Rights less 7% fulfillment	698	698	698	698	698	698	698	698	698	698
9	Facility Fee/ Rebates	162	161	164	167	170	173	176	178	181	184
10	Other Revenue	90	91	93	94	96	106	108	109	111	112
11	Annual Capital Gifts	750	750	750	750	750	750	750	750	750	750
12	<b>Total Revenue</b>	<b>\$6,563</b>	<b>\$6,677</b>	<b>\$6,821</b>	<b>\$6,996</b>	<b>\$7,154</b>	<b>\$7,526</b>	<b>\$7,714</b>	<b>\$7,872</b>	<b>\$8,037</b>	<b>\$8,235</b>
<b>Operating Expense</b>											
Fixed											
13	Salary - Permanent Staff	\$200	\$205	\$210	\$215	\$221	\$226	\$232	\$238	\$244	\$250
14	Benefits - Permanent Staff	60	62	63	65	66	68	70	71	73	75
15	General and Administrative	180	185	189	194	199	204	209	214	219	225
16	Utilities	150	154	158	162	166	170	174	178	183	187
17	Repairs and Maintenance	240	246	252	323	331	339	348	357	366	375
18	Insurance	63	65	67	70	74	76	79	82	85	88
19	Communications	40	41	42	43	44	45	46	48	49	50
20	Advertising	56	62	63	65	66	68	70	71	73	75
21	Misc.	50	51	53	54	55	57	58	59	61	62
Variable											
21	Gameday Expenses	315	323	337	352	368	381	395	410	424	440
22	<b>Total Expenses</b>	<b>\$1,354</b>	<b>\$1,394</b>	<b>\$1,434</b>	<b>\$1,543</b>	<b>\$1,590</b>	<b>\$1,634</b>	<b>\$1,681</b>	<b>\$1,728</b>	<b>\$1,777</b>	<b>\$1,827</b>
23	<b>Net Operating Income (Deficit)</b>	<b>\$5,209</b>	<b>\$5,283</b>	<b>\$5,387</b>	<b>\$5,453</b>	<b>\$5,564</b>	<b>\$5,892</b>	<b>\$6,032</b>	<b>\$6,144</b>	<b>\$6,260</b>	<b>\$6,407</b>
24	<b>Deposit to Maintenance Reserve Account</b>	<b>\$394</b>	<b>\$401</b>	<b>\$409</b>	<b>\$420</b>	<b>\$429</b>	<b>\$452</b>	<b>\$463</b>	<b>\$472</b>	<b>\$482</b>	<b>\$494</b>
25	<b>Net Operating Income (Deficit) Avail. for Debt</b>	<b>\$4,815</b>	<b>\$4,882</b>	<b>\$4,978</b>	<b>\$5,033</b>	<b>\$5,135</b>	<b>\$5,440</b>	<b>\$5,570</b>	<b>\$5,672</b>	<b>\$5,777</b>	<b>\$5,913</b>
26	<b>Debt Service</b>		<b>\$3,107</b>	<b>\$4,707</b>	<b>\$4,812</b>	<b>\$4,933</b>	<b>\$4,933</b>	<b>\$4,944</b>	<b>\$4,944</b>	<b>\$4,944</b>	<b>\$4,944</b>
27	<b>Net Subtotal</b>	<b>\$4,815</b>	<b>\$1,775</b>	<b>\$271</b>	<b>\$221</b>	<b>\$202</b>	<b>\$507</b>	<b>\$626</b>	<b>\$728</b>	<b>\$833</b>	<b>\$969</b>
28	<b>Coverage Ratio</b>		157%	106%	105%	104%	110%	113%	115%	117%	120%
<b>Other Non Operating Revenue</b>											
29	Away Game & Conf Guarantees	\$1,900	\$1,957	\$2,016	\$2,076	\$2,138	\$2,203	\$2,269	\$2,337	\$2,407	\$2,479
30	Five % of Student Fees	400	408	416	424	433	442	450	459	469	478
31	Other Innovation Village Revenue	0	0	0	0	0	0	0	0	0	0
32	<b>Total Other Sources</b>	<b>\$2,300</b>	<b>\$2,365</b>	<b>\$2,432</b>	<b>\$2,501</b>	<b>\$2,571</b>	<b>\$2,644</b>	<b>\$2,719</b>	<b>\$2,796</b>	<b>\$2,876</b>	<b>\$2,957</b>
33	<b>Net Operating Income Avail. For Reserves and Other</b>	<b>\$7,115</b>	<b>\$4,140</b>	<b>\$2,703</b>	<b>\$2,722</b>	<b>\$2,773</b>	<b>\$3,152</b>	<b>\$3,345</b>	<b>\$3,524</b>	<b>\$3,709</b>	<b>\$3,926</b>
34	<b>Deposit to Restricted Reserves</b>	<b>\$4,960</b>									
35	<b>Income for Coverage</b>	<b>\$2,156</b>	<b>\$4,140</b>	<b>\$2,703</b>	<b>\$2,722</b>	<b>\$2,773</b>	<b>\$3,152</b>	<b>\$3,345</b>	<b>\$3,524</b>	<b>\$3,709</b>	<b>\$3,926</b>
36	<b>Coverage Ratio including Fundraising</b>	NA	290%	163%	161%	160%	174%	180%	186%	192%	199%

*\*Fiscal Year runs from July 1 through June 30  
The new Football Stadium is expected to begin operation in the Fall of 2010  
Source: Johnson Consulting*

The following text describes the projections of individual line items in more detail.

## Operating Revenue

- ***Ticket Sales Revenue*** –The projections assume all ticket sales to FAU games will be pledged to the stadium project fund. In order to determine the total ticket sales revenue, we have taken the total paid attendance figure and multiplied it by the average ticket price. The face value of the ticket is \$24 dollars, but students, media and some comp tickets are free, hence the effective average ticket price is approximately \$14. Based on discussions with FAU officials, approximately 6,600 tickets are not paid for on a per game basis, this includes students and complimentary tickets. While not shown in the ticket revenue figure above, these people are counted in the total attendance figures for purposes of concession, novelty, catering purposes, and parking purposes.

Based on our attendance projections shown in Table 5-3, for 2010, we have assumed 8,950 paid tickets and 6,600 complimentary and student tickets.

Also included in Ticket Sales revenue are the High School football games at \$5 a ticket, with a total of 40,000 attendees in Year 1. Another included revenue source for ticket sales are the special events which may take place at the stadium. Projected revenue is based on 15,000 attendees at a ticket price of \$30.

- ***Concessions*** – The operation and management of food and beverage concession sales are generally handled by one of two methods. The first method, which is the most common, allows an independent concessionaire exclusive rights to facility events with the team and/or facility taking a percentage of gross sales. The second method allows for the facility owner to own and operate the concessions. Under this method, the facility owner will capture 100 percent of concession sales but will also incur expense items related to purchase and maintenance of equipment, labor costs, and costs of goods sold. For purposes of this analysis, concessions and novelty revenue estimates assume that facility management will choose to contract for these operations to a third party concessionaire.

The current campus food service provider is Chartwells, who may also be contracted to provide food and beverage at the football stadium. The parameters for food service deals are fairly well established for football stadiums and the approach taken can follow either a percentage rent to the building or a management agreement. While a management agreement is

usually preferred because it engages the contractor to a greater extent and may yield some investment for the football stadium being managed, the net economics of a percentage fee arrangement are similar. As such, for planning purposes, we have used a percentage approach for our projections.

Crucial to the derivation of concessions revenue is the per capita sales figure. Per capita sales vary from event to event and by the seating area. For purposes of this analysis, the per capita concession spending is estimated to average \$5.50 for concessions at FAU football games. This assumption is based on information provided by a major stadium food service provider and a major facility management company, as well as current operating data from the University of Louisville's Papa Johns Cardinals Stadium and the University of Connecticut's Rentschler Field. It is assumed that the facility will receive 40 percent of concessions revenue.

- **Catering** - The stadium concessionaire would also typically provide luxury suite and club seat catering services to the facility and the stadium receives a percentage of gross sales from each event. It is assumed that the gross per capita spending assumptions for catering are \$25.00 for FAU football games. Again, based on data provided by a major stadium food service provider and a major facility management company, and other industry data, the stadium's commission is assumed to be 20 percent of gross catering sales, because catering has a higher cost structure than concession services.
- **Novelties** - The projection assumes that stadium management will contract with an outside provider for novelty sales. Similar to food service deals, novelty arrangements can follow either a percentage rent to the building or a management agreement. As such, for planning purposes, we have used a percentage approach for our projections. Novelty revenue is projected to be 10 percent of gross novelty sales for all events at the facility. Similar to concessions revenue, the per capita projections are based on information provided by a major stadium food service provider and a major facility management company. It is assumed that \$3 per attendee will be sold within the stadium or on a per capita basis for FAU football games. This assumption does not take into consideration the sale of merchandise at off-site locations, which may be substantial.
- **Parking** - The parking projections are based on data provided by Gameday Management Group (Gameday), an expert in transportation development and implementation for high profile sporting events. Gameday has been working to develop the parking plan for the football stadiums all over the United States. While not final at this point, Johnson Consulting has estimated that there will be 3,000 total parking spaces under direct control of

the University for general parking for events, not taking into account parking spots for premium seat holders, as that revenue will not be captured in this category, but rather in their ticket prices. While these general parking spaces will have different cost structures (ranging from \$5 to \$15), for this projection we have assumed an average parking fee of \$10 per space. In addition, the projection assumes that there will be 75 spots available for RVs and buses. Again, while there will be different cost a structure for RVs and buses (ranging from \$25 to \$50), the projection assumes an average price of \$37.50 per space. The revenue number is discounted by 22 percent to include the expense associated with operating the lots. No assumption has been made regarding how FAU could allocate some parking revenue earned from other parking spots not near the stadium to the stadium project fund.

- **Premium Seating** - The projections assume that the stadium has 20 leasable luxury suites and 1,000 leasable club seats. Based on performance from University of Central Florida, representatives from which were interviewed for this analysis, Johnson Consulting has made assumptions that FAU will be comparable in selling the suites and clubs based on its market strength. Arriving to the premium seat numbers Johnson Consulting has assumed a 100 percent sale of luxury suites at \$45,000, exclusive of tickets. As well, it is assumed ninety percent of the 1,000 club seats will sell at a price of \$1,500 per seat, exclusive of tickets.

Furthermore, as FAU will sell the premium seating in-house, we have assumed a typical fulfillment fee of seven percent to cover the cost of advertising, legal, etc.

- **Advertising and Sponsorship** - revenues are generated from the inventory of signage located within the facility, including those located in the concourses and on permanent scoreboards. Based on data provided by Global Spectrum, we assume a total advertising and sponsorship inventory valued at \$500,000. Of this amount, 100 percent is assumed to be sold each year. Many advertising contracts are long-term and maintain either a constant or escalating annual amount until renewal, but for the purposes of this projection, advertising revenues are inflated each year.

Again, Johnson Consulting has assumed that expenses related to the procurement of advertising revenue are seven percent of gross revenue sold.

It should be noted that this category is somewhat confusing, as advertising and sponsorship deals occur campus -wide, within Athletics across sports and among donors to the university. Front Row Marketing, which was Commissioned by the Athletics Department of FAU, projected a substantially higher number than that presented here, but between campus



wide deals, the fund raising amounts shown and the \$500,000 specifically showing as captured by the stadium our figures are actually in line with those of Front Row Marketing.

- **Naming Rights** - revenues from a corporate partner that takes title to the name of the stadium. Table 5-7 shows comparable naming rights at college football stadiums throughout the country.

**Table 5-7**

Comparabale Stadium Naming Rights Agreements							
School	Enrollment	Stadium	Year Facility Opened	Capacity	Naming Rights Value (\$000's)	Length of Contract (years)	Payment per Year (\$000's)
University of Minnesota	50,954	TCF Bank Stadium	2008	TBD	\$ 35,000	25	\$ 1,400
Southern Methodist University	11,200	Gerald J. Ford Stadium	2000	32,000	24,000	indefinite	na
Texas Tech University	25,875	Jones SBC Stadium	1947	50,500	20,000	20	1,000
Oregon State University	17,920	Reser Stadium	1953	35,000	12,500	20	625
University of Louisville	21,500	Papa John's Cardinal Stadium	1998	42,000	5,000	10	500
Troy State University	24,000	Movie Gallery Veterans Stadium	1950	30,000	5,000	20	250
Syracuse University	18,247	Carrier Dome	1980	51,000	2,500	Indefinite	na
<b>Average</b>	<b>24,242</b>		<b>1977</b>	<b>40,083</b>	<b>\$ 14,857</b>	<b>19</b>	<b>\$ 755</b>
<b>Schools Who Play in Major League Venues:</b>							
Temple University	33,000	Lincoln Financial Field	2003	66,000	\$ 139,600	20	\$ 6,980
University of Pittsburgh	34,000	Heinz Field	2001	64,450	57,000	20	2,850
University of South Florida	35,561	Raymond James Stadium	1998	65,000	32,500	13	2,500
San Diego State University	27,345	Qualcomm Stadium	1967	71,000	18,000	20	900
<b>Average</b>	<b>32,477</b>		<b>1992</b>	<b>66,613</b>	<b>\$ 61,775</b>	<b>18</b>	<b>\$ 3,308</b>

Source: Revenues from Sports Venues, US College Search, Johnson Consulting

As the table shows, only a few stadiums across the country have actually sold naming rights to their on-campus facilities. For stadiums on college campuses, the average annual payment is approximately \$755,000 and the average length of these contracts is 19 years. The value of naming rights deals at the professional level are much higher, also shown above, but the schools that play in these facilities rarely obtain any of the revenue generated by the contract.

Based on these naming rights contracts, the projection assumes that the FAU football stadium will secure a naming rights sponsor that will generate a gross annual amount of \$750,000 per year, less a seven percent fulfillment fee, as FAU will handle this operation in-house. At this time, FAU Athletics has not been in discussions with potential corporate partners. However, in order to be conservative, we have used \$750,000 in our projection.

- **Facility Service Fee / Box Office Rebates** - Facility service fees are often found in stadiums and other public-assembly facilities as a way to financially support operations and debt service payments, particularly in

privately-owned facilities that require a return on investment. Such fees are commonly \$0.50 to \$1.50, and appear at numerous major professional, collegiate, and minor league facilities. For this projection, we have used a facility service fee of \$1.50.

- **Other Revenue** – consists of interest earned from club seat and luxury suite deposits and other cash balances. Other incidental revenue will also be earned.
- **Fundraising** – is an important portion of revenue generated for the Athletics Department. The Capital Gifts Fund is a fundraising effort, with campaign contributions going directly to the football stadium project. The FAU Foundation has set its sights on raising an undetermined amount in support of the stadium. It is assumed that the foundation will raise approximately \$750,000 annually.
- **Guarantees and Conference Payments**- Currently FAU will be guaranteed a portion of funds from away games played at larger schools as well as money guaranteed from the Sun Belt Conference. Currently it is projected to be approximately \$1.9 million but is subject to change as the opponents on an annual basis could change unless otherwise contracted.
- **Student Athletic Fees**- New state legislation limits facility funding allocation to 5 percent of student fees. For FAU, this equates to approximately \$400,000 per year. We have recognized this amount in the pro forma, and escalated it at 2 percent annually.

## Debt Service

FAU has provided Johnson Consulting with the most current debt service numbers, which have been reflected in Table 5-6.

## Operating Expenses

Every university runs its facilities and in this case stadium differently. In each instance the expenses covered below are a conservative approach to the overall operations which may occur.

### *Fixed Expenses*

As mentioned previously, fixed expenses are those that do not vary based on the specific number of events or attendees at the stadium. These expenses are salaries and benefits, general and administrative, the stadium management fee, a portion of

utilities, repairs and maintenance, insurance, advertising, communications, and miscellaneous expenses.

- **Salaries** – Based on prior stadium studies, the infrequent use of the stadium does not necessarily justify hiring a complement of full-time staff. It is expected that at least five people will be dedicated to the stadium on a full-time basis. Those positions include an Associate Athletics Director/General Manager, Director of Sales, Sales Associate, Advertising Associate, and a Senior Grounds person. These employees will, in fact, be additions to the overall Department, so it becomes a matter of policy on how salaries are ultimately treated. For projection purposes, we have assumed four people at an average annual salary of \$50,000 for a total of \$200,000 as the cost to the stadium. Other payroll costs will either be recognized within game day expenses or as departmental overhead for the Athletics Department.
- **Salary Benefits** – Benefits for full-time staff members are projected to be 30 percent of salary expense throughout the projection.
- **General and Administrative** – This category consists of general and administrative expenses such as office-related expenses, travel, accounting, legal and consulting services, postage, etc.
- **Utilities** – As with the salary and wage expenses, it is imperative that the management passes through to the user, to the extent possible, utility costs related to a particular event. In many facilities, these costs are handled as an expense that is reimbursed or partially reimbursed by the tenant. For purposes of this analysis, it is assumed that the utility cost shown represents the total unreimbursable costs, net of any pass through arrangements. Based on discussions with FAU and their facility operations team, we have assumed utility costs to be \$150,000 per year. It should also be noted that actual utility expenses would also depend on facility design and decisions concerning energy systems and management.
- **Repairs and Maintenance** – This line item includes various expenses that will be incurred related to building maintenance, equipment maintenance, and ground and turf maintenance. These expenses will include both in-house activities as well as contractual services for outsourced third party contractors. Expense allocations for repair and maintenance are highly dependent upon the owner/management philosophy relative to upkeep of the facility. We have assumed that in Years 1 through 3, expenses for this item will be lower due to projected construction warranties.
- **Insurance** – Based on insurance expense of stadiums of similar size and level of activity, the projection estimates insurance expense to be \$0.40 per person based on total paid attendance. In 2009-2010 we project this expense to be \$93,000 and are inflated thereafter.

- **Communications** - expense is related to telephone services throughout the stadium, as well as television service and Internet access.
- **Advertising** - Advertising expense is primarily related to advertising in industry publications and local media outlets, as well as various promotions. This item does not include fulfillment costs for certain revenue-generating items, such as premium seating, that have been presented earlier in this section.
- **Miscellaneous Expenses** - include licenses, publications, uniforms, and other various expenditures.

### *Variable Expenses*

Variable expenses are those that fluctuate based on the usage of the stadium. These expenses include gameday expenses and funding of a maintenance reserve account, as discussed below.

- **Gameday Expense** - include the cost of hosting a home game for FAU football, high school football, and special events which will be borne by the stadium. In 2003, Global Spectrum conducted an analysis of professional football gameday expenses and found the expenses to be \$2.15 per head in the south east, \$2.63 in the north east, and \$2.50 per head in the west. Based on this input, and the fact the FAU football stadium is a college facility with only 6 home games and various other events, we have assumed an expense of \$2.00 per turnstile attendee.
- **Deposit to Maintenance Reserve Account** - The maintenance reserve account funds major planned projects such as turf, equipment, and roof replacement, as well as other scheduled maintenance programs that are not routine or paid for by the facility's repairs and maintenance account. Although facilities often have unique schedules for funding their maintenance reserve account, the annual amount deposited generally increases as a facility ages. The deposit to the maintenance reserve account is assumed to be six percent of gross revenue.
- **Deposit to Restricted Reserves** - A deposit has been set up by taking Year 1 net operating income, plus interest earned, assumed at three percent.

## Coverage Ratio

Applying operating income, including the non-operating revenues, to debt service, the year five debt coverage ratio is 160 percent.

## Conclusions

Based upon the foregoing assumptions and considerations and upon our analyses and studies as summarized or referred to in this report, which report should be read in its entirety in conjunction with the following, we are of the opinion that:

1. The estimates of attendance, achievable ticket prices, suite, club seat and other revenues, as well as operating expenses, based on, among other things, analyses of historical trends, and reasonable projections form a reasonable basis for the projected operating results set forth in this report.
2. FAU and other parties are in compliance with known applicable government regulations pertaining to FAU campus development and facilities operations.
3. For the fiscal years ending June of 2011 through July of 2020, the Revenues from operation of the planned FAU on-campus football stadium and associated facilities are projected to be sufficient to pay the projected Costs of Operation and Maintenance and to pay the projected annual debt service.



## **VI. APPENDICES**

- A-1 SCENARIO DEBT SERVICE SUMMARY**
- A-2 30,000 SEAT CONCRETE SCENARIO DEBT SERVICE**
- A-3 30,000 SEAT STEEL SCENARIO DEBT SERVICE**
- A-4 37,500 SEAT STEEL SCENARIO DEBT SERVICE**
- A-5 45,000 SEAT STEEL SCENARIO DEBT SERVICE**

## **Appendix A-1**

The following table summarizes the debt service numbers for four (4) stadium configuration scenarios. The page that follows this summary provides further detail of the projections and debt service calculation for each of the four (4) scenarios.



**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**

**FINANCING SUMMARY (6) (revised)**

	<u>Steel Stadium (by number of seats)</u>			<u>Concrete Stadium (5)</u>
	<u>30,000</u>	<u>37,500</u>	<u>45,000</u>	<u>30,000</u>
Est. Par Amount	\$76,570,000	\$80,265,000	\$88,885,000	\$120,850,000
Project Fund Amount (est.) (6)	\$62,000,000	\$65,000,000	\$72,000,000	\$98,000,000
Estimated Annual Net Debt Service	\$4,935,000	\$5,175,000	\$5,725,000	\$7,785,000
Est. Gross Revenue Requirement (1)	\$9,870,000	\$10,345,000	\$11,450,000	\$15,575,000
Est. Net Revenue Requirement (2)	\$7,400,000	\$7,760,000	\$8,585,000	\$11,680,000
Est. Annual Coupon (3)	5.22%	5.22%	5.22%	5.22%
Est. TIC % (4)	5.39%	5.39%	5.39%	5.39%

(1) Based on estimated gross revenue debt service coverage of 2.0x.

(2) Based on estimated net revenue debt service coverage of 1.5x.

(3) Assumes Five Year LOC support on floating rate weekly reset bonds, with "effective fixed interest rate" for 15 years derived from floating to fixed interest rate swap, based on indicative interest rates which are subject to change based on changing market conditions. Estimated Annual coupon is comprised of base estimated swap rate of 4.60%, plus 0.50% est. LOC fee, plus 0.10% est. remarketing fee plus 0.02% est. trustee fee.

(4) Comprised of annual coupon rate described above plus Underwriter's Discount.

(5) Based on initial KUD estimates, last updated November 2006. Estimated gross revenues of \$15.6 million also included net excess revenues from housing, retail and other Innovation Village components.

(6) All estimated project amounts need to be confirmed by FAU, KUD as project manager, and D.A. Davidson.

Provided by D.A. Davidson & Co., Orlando, Florida Quantitative Group JTL/MD (9/11/07).

## **APPENDIX A-2**

### 30,000 Concrete Stadium Observations:

- Higher assumed capital budget of \$98 million (v. \$75 million) for same 30,000 seats (concrete vs. steel stadium)
- Total of 20 luxury suites and 1,000 club seats
- No additional parking planned
- Stabilized debt service at \$7,860,000 annually.

## 30,000 Seat Concrete Stadium

### FAU Football Stadium Financial Projection (\$000's, Inflated)

Ref		Fiscal Year*									
		'010-011*	'011-012	'012-013	'013-14	'14-15	'15-16	'16-17	'17-18	'18-19	'19-20
<b>Operating Revenue</b>											
1	Ticket Sales Revenue	\$1,495	\$1,518	\$1,584	\$1,655	\$1,728	\$1,802	\$1,879	\$1,959	\$2,041	\$2,127
2	Net Concessions	360	368	384	401	419	435	452	469	487	506
3	Net Catering	49	50	51	52	54	55	56	58	59	61
4	Net Novelties	33	34	35	37	38	40	42	43	45	47
5	Net Parking	461	472	485	522	536	548	587	594	602	637
6	Premium Seating, less 7% fulfillment	2,093	2,124	2,156	2,189	2,223	2,466	2,501	2,538	2,575	2,613
7	Advertising and Sponsorship	372	411	421	431	442	453	465	476	488	500
8	Naming Rights less 7% fulfillment	698	698	698	698	698	698	698	698	698	698
9	Facility Fee/ Rebates	162	161	164	167	170	173	176	178	181	184
10	Other Revenue	90	91	93	94	96	106	108	109	111	112
11	Annual Capital Gifts	750	750	750	750	750	750	750	750	750	750
12	<b>Total Revenue</b>	<b>\$6,563</b>	<b>\$6,677</b>	<b>\$6,821</b>	<b>\$6,996</b>	<b>\$7,154</b>	<b>\$7,526</b>	<b>\$7,714</b>	<b>\$7,872</b>	<b>\$8,037</b>	<b>\$8,235</b>
<b>Operating Expense</b>											
Fixed											
13	Salary - Permanent Staff	\$200	\$205	\$210	\$215	\$221	\$226	\$232	\$238	\$244	\$250
14	Benefits - Permanent Staff	60	62	63	65	66	68	70	71	73	75
15	General and Administrative	180	185	189	194	199	204	209	214	219	225
16	Utilities	150	154	158	162	166	170	174	178	183	187
17	Repairs and Maintenance	240	246	252	323	331	339	348	357	366	375
18	Insurance	63	65	67	70	74	76	79	82	85	88
19	Communications	40	41	42	43	44	45	46	48	49	50
20	Advertising	56	62	63	65	66	68	70	71	73	75
21	Misc.	50	51	53	54	55	57	58	59	61	62
Variable											
21	Gameday Expenses	315	323	337	352	368	381	395	410	424	440
22	<b>Total Expenses</b>	<b>\$1,354</b>	<b>\$1,394</b>	<b>\$1,434</b>	<b>\$1,543</b>	<b>\$1,590</b>	<b>\$1,634</b>	<b>\$1,681</b>	<b>\$1,728</b>	<b>\$1,777</b>	<b>\$1,827</b>
23	<b>Net Operating Income (Deficit)</b>	<b>\$5,209</b>	<b>\$5,283</b>	<b>\$5,387</b>	<b>\$5,453</b>	<b>\$5,564</b>	<b>\$5,892</b>	<b>\$6,032</b>	<b>\$6,144</b>	<b>\$6,260</b>	<b>\$6,407</b>
24	<b>Deposit to Maintenance Reserve Account</b>	<b>\$394</b>	<b>\$401</b>	<b>\$409</b>	<b>\$420</b>	<b>\$429</b>	<b>\$452</b>	<b>\$463</b>	<b>\$472</b>	<b>\$482</b>	<b>\$494</b>
25	<b>Net Operating Income (Deficit) Avail. for Debt</b>	<b>\$4,815</b>	<b>\$4,882</b>	<b>\$4,978</b>	<b>\$5,033</b>	<b>\$5,135</b>	<b>\$5,440</b>	<b>\$5,570</b>	<b>\$5,672</b>	<b>\$5,777</b>	<b>\$5,913</b>
26	<b>Debt Service</b>		<b>\$4,904</b>	<b>\$7,430</b>	<b>\$7,597</b>	<b>\$7,784</b>	<b>\$7,787</b>	<b>\$7,788</b>	<b>\$7,784</b>	<b>\$7,787</b>	<b>\$7,787</b>
27	<b>Net Subtotal</b>	<b>\$4,815</b>	<b>(\$22)</b>	<b>(\$2,452)</b>	<b>(\$2,564)</b>	<b>(\$2,649)</b>	<b>(\$2,347)</b>	<b>(\$2,218)</b>	<b>(\$2,112)</b>	<b>(\$2,010)</b>	<b>(\$1,874)</b>
28	<b>Coverage Ratio</b>		100%	67%	66%	66%	70%	72%	73%	74%	76%
<b>Other Non Operating Revenue</b>											
29	Away Game & Conf Guarantees	\$1,900	\$1,957	\$2,016	\$2,076	\$2,138	\$2,203	\$2,269	\$2,337	\$2,407	\$2,479
30	Five % of Student Fees	400	408	416	424	433	442	450	459	469	478
31	Other Innovation Village Revenue	0	0	0	0	0	0	0	0	0	0
32	<b>Total Other Sources</b>	<b>\$2,300</b>	<b>\$2,365</b>	<b>\$2,432</b>	<b>\$2,501</b>	<b>\$2,571</b>	<b>\$2,644</b>	<b>\$2,719</b>	<b>\$2,796</b>	<b>\$2,876</b>	<b>\$2,957</b>
33	<b>Net Operating Income Avail. For Reserves and Other</b>	<b>\$7,115</b>	<b>\$2,343</b>	<b>(\$20)</b>	<b>(\$63)</b>	<b>(\$78)</b>	<b>\$298</b>	<b>\$501</b>	<b>\$684</b>	<b>\$866</b>	<b>\$1,083</b>
34	<b>Deposit to Restricted Reserves</b>	<b>\$4,960</b>									
35	<b>Income for Coverage</b>	<b>\$2,156</b>	<b>\$2,343</b>	<b>(\$20)</b>	<b>(\$63)</b>	<b>(\$78)</b>	<b>\$298</b>	<b>\$501</b>	<b>\$684</b>	<b>\$866</b>	<b>\$1,083</b>
36	<b>Coverage Ratio including Fundraising</b>	NA	147%	67%	65%	65%	74%	78%	82%	85%	90%

\*Fiscal Year runs from July 1 through June 30  
 The new Football Stadium is expected to begin operation in the Fall of 2010  
 Source: Johnson Consulting

## **APPENDIX A-3**

Observations from 30,000 seat steel stadium :

- Assumed capital budget of \$75 million.
- Total of 20 suites and 1,000 club seats
- No additional parking planned
- Stabilized debts service at approximately \$4,900,000 annually.

## 30,000 Seat Steel Stadium

### FAU Football Stadium Financial Projection (\$000's, Inflated)

Ref		Fiscal Year*									
		'010-011*	'011-012	'012-013	'013-14	'14-15	'15-16	'16-17	'17-18	'18-19	'19-20
<b>Operating Revenue</b>											
1	Ticket Sales Revenue	\$1,495	\$1,518	\$1,584	\$1,655	\$1,728	\$1,802	\$1,879	\$1,959	\$2,041	\$2,127
2	Net Concessions	360	368	384	401	419	435	452	469	487	506
3	Net Catering	49	50	51	52	54	55	56	58	59	61
4	Net Novelties	33	34	35	37	38	40	42	43	45	47
5	Net Parking	461	472	485	522	536	548	587	594	602	637
6	Premium Seating, less 7% fulfillment	2,093	2,124	2,156	2,189	2,223	2,466	2,501	2,538	2,575	2,613
7	Advertising and Sponsorship	372	411	421	431	442	453	465	476	488	500
8	Naming Rights less 7% fulfillment	698	698	698	698	698	698	698	698	698	698
9	Facility Fee/ Rebates	162	161	164	167	170	173	176	178	181	184
10	Other Revenue	90	91	93	94	96	106	108	109	111	112
11	Annual Capital Gifts	750	750	750	750	750	750	750	750	750	750
12	<b>Total Revenue</b>	<b>\$6,563</b>	<b>\$6,677</b>	<b>\$6,821</b>	<b>\$6,996</b>	<b>\$7,154</b>	<b>\$7,526</b>	<b>\$7,714</b>	<b>\$7,872</b>	<b>\$8,037</b>	<b>\$8,235</b>
<b>Operating Expense</b>											
Fixed											
13	Salary - Permanent Staff	\$200	\$205	\$210	\$215	\$221	\$226	\$232	\$238	\$244	\$250
14	Benefits - Permanent Staff	60	62	63	65	66	68	70	71	73	75
15	General and Administrative	180	185	189	194	199	204	209	214	219	225
16	Utilities	150	154	158	162	166	170	174	178	183	187
17	Repairs and Maintenance	240	246	252	323	331	339	348	357	366	375
18	Insurance	63	65	67	70	74	76	79	82	85	88
19	Communications	40	41	42	43	44	45	46	48	49	50
20	Advertising	56	62	63	65	66	68	70	71	73	75
21	Misc.	50	51	53	54	55	57	58	59	61	62
Variable											
21	Gameday Expenses	315	323	337	352	368	381	395	410	424	440
22	<b>Total Expenses</b>	<b>\$1,354</b>	<b>\$1,394</b>	<b>\$1,434</b>	<b>\$1,543</b>	<b>\$1,590</b>	<b>\$1,634</b>	<b>\$1,681</b>	<b>\$1,728</b>	<b>\$1,777</b>	<b>\$1,827</b>
23	<b>Net Operating Income (Deficit)</b>	<b>\$5,209</b>	<b>\$5,283</b>	<b>\$5,387</b>	<b>\$5,453</b>	<b>\$5,564</b>	<b>\$5,892</b>	<b>\$6,032</b>	<b>\$6,144</b>	<b>\$6,260</b>	<b>\$6,407</b>
24	<b>Deposit to Maintenance Reserve Account</b>	<b>\$394</b>	<b>\$401</b>	<b>\$409</b>	<b>\$420</b>	<b>\$429</b>	<b>\$452</b>	<b>\$463</b>	<b>\$472</b>	<b>\$482</b>	<b>\$494</b>
25	<b>Net Operating Income (Deficit) Avail. for Debt</b>	<b>\$4,815</b>	<b>\$4,882</b>	<b>\$4,978</b>	<b>\$5,033</b>	<b>\$5,135</b>	<b>\$5,440</b>	<b>\$5,570</b>	<b>\$5,672</b>	<b>\$5,777</b>	<b>\$5,913</b>
26	<b>Debt Service</b>	<b>\$3,107</b>	<b>\$4,707</b>	<b>\$4,812</b>	<b>\$4,933</b>	<b>\$4,933</b>	<b>\$4,944</b>	<b>\$4,944</b>	<b>\$4,944</b>	<b>\$4,944</b>	<b>\$4,944</b>
27	<b>Net Subtotal</b>	<b>\$4,815</b>	<b>\$1,775</b>	<b>\$271</b>	<b>\$221</b>	<b>\$202</b>	<b>\$507</b>	<b>\$626</b>	<b>\$728</b>	<b>\$833</b>	<b>\$969</b>
28	<b>Coverage Ratio</b>		157%	106%	105%	104%	110%	113%	115%	117%	120%
<b>Other Non Operating Revenue</b>											
29	Away Game & Conf Guarantees	\$1,900	\$1,957	\$2,016	\$2,076	\$2,138	\$2,203	\$2,269	\$2,337	\$2,407	\$2,479
30	Five % of Student Fees	400	408	416	424	433	442	450	459	469	478
31	Other Innovation Village Revenue	0	0	0	0	0	0	0	0	0	0
32	<b>Total Other Sources</b>	<b>\$2,300</b>	<b>\$2,365</b>	<b>\$2,432</b>	<b>\$2,501</b>	<b>\$2,571</b>	<b>\$2,644</b>	<b>\$2,719</b>	<b>\$2,796</b>	<b>\$2,876</b>	<b>\$2,957</b>
33	<b>Net Operating Income Avail. For Reserves and Other</b>	<b>\$7,115</b>	<b>\$4,140</b>	<b>\$2,703</b>	<b>\$2,722</b>	<b>\$2,773</b>	<b>\$3,152</b>	<b>\$3,345</b>	<b>\$3,524</b>	<b>\$3,709</b>	<b>\$3,926</b>
34	<b>Deposit to Restricted Reserves</b>	<b>\$4,960</b>									
35	<b>Income for Coverage</b>	<b>\$2,156</b>	<b>\$4,140</b>	<b>\$2,703</b>	<b>\$2,722</b>	<b>\$2,773</b>	<b>\$3,152</b>	<b>\$3,345</b>	<b>\$3,524</b>	<b>\$3,709</b>	<b>\$3,926</b>
36	<b>Coverage Ratio including Fundraising</b>	NA	290%	163%	161%	160%	174%	180%	186%	192%	199%

\*Fiscal Year runs from July 1 through June 30  
 The new Football Stadium is expected to begin operation in the Fall of 2010  
 Source: Johnson Consulting

## **APPENDIX A-4**

Observations from the 37,500:

- Assumed capital budget of \$79.5 million
- 7,500 incremental seats
- Total of 20 suites and 1,000 club seats
- No additional parking planned
- Stabilized debt service of approximately \$5,227,000 annually.

## 37,500 Seat Steel Stadium

### FAU Football Stadium Financial Projection (\$000's, Inflated)

Ref		Fiscal Year*									
		'010-011*	'011-012	'012-013	'013-14	'14-15	'15-16	'16-17	'17-18	'18-19	'19-20
<b>Operating Revenue</b>											
1	Ticket Sales Revenue	\$1,495	\$1,518	\$1,584	\$1,655	\$1,728	\$1,802	\$1,879	\$1,959	\$2,041	\$2,127
2	Net Concessions	360	368	384	401	419	435	452	469	487	506
3	Net Catering	49	50	51	52	54	55	56	58	59	61
4	Net Novelties	33	34	35	37	38	40	42	43	45	47
5	Net Parking	461	472	485	522	536	548	587	594	602	637
6	Premium Seating, less 7% fulfillment	2,093	2,124	2,156	2,189	2,223	2,466	2,501	2,538	2,575	2,613
7	Advertising and Sponsorship	372	411	421	431	442	453	465	476	488	500
8	Naming Rights less 7% fulfillment	698	698	698	698	698	698	698	698	698	698
9	Facility Fee/ Rebates	162	161	164	167	170	173	176	178	181	184
10	Other Revenue	90	91	93	94	96	106	108	109	111	112
11	Annual Capital Gifts	750	750	750	750	750	750	750	750	750	750
12	<b>Total Revenue</b>	<b>\$6,563</b>	<b>\$6,677</b>	<b>\$6,821</b>	<b>\$6,996</b>	<b>\$7,154</b>	<b>\$7,526</b>	<b>\$7,714</b>	<b>\$7,872</b>	<b>\$8,037</b>	<b>\$8,235</b>
<b>Operating Expense</b>											
Fixed											
13	Salary - Permanent Staff	\$200	\$205	\$210	\$215	\$221	\$226	\$232	\$238	\$244	\$250
14	Benefits - Permanent Staff	60	62	63	65	66	68	70	71	73	75
15	General and Administrative	180	185	189	194	199	204	209	214	219	225
16	Utilities	150	154	158	162	166	170	174	178	183	187
17	Repairs and Maintenance	240	246	252	323	331	339	348	357	366	375
18	Insurance	63	65	67	70	74	76	79	82	85	88
19	Communications	40	41	42	43	44	45	46	48	49	50
20	Advertising	56	62	63	65	66	68	70	71	73	75
21	Misc.	50	51	53	54	55	57	58	59	61	62
Variable											
21	Gameday Expenses	315	323	337	352	368	381	395	410	424	440
22	<b>Total Expenses</b>	<b>\$1,354</b>	<b>\$1,394</b>	<b>\$1,434</b>	<b>\$1,543</b>	<b>\$1,590</b>	<b>\$1,634</b>	<b>\$1,681</b>	<b>\$1,728</b>	<b>\$1,777</b>	<b>\$1,827</b>
23	<b>Net Operating Income (Deficit)</b>	<b>\$5,209</b>	<b>\$5,283</b>	<b>\$5,387</b>	<b>\$5,453</b>	<b>\$5,564</b>	<b>\$5,892</b>	<b>\$6,032</b>	<b>\$6,144</b>	<b>\$6,260</b>	<b>\$6,407</b>
24	<b>Deposit to Maintenance Reserve Account</b>	<b>\$394</b>	<b>\$401</b>	<b>\$409</b>	<b>\$420</b>	<b>\$429</b>	<b>\$452</b>	<b>\$463</b>	<b>\$472</b>	<b>\$482</b>	<b>\$494</b>
25	<b>Net Operating Income (Deficit) Avail. for Debt</b>	<b>\$4,815</b>	<b>\$4,882</b>	<b>\$4,978</b>	<b>\$5,033</b>	<b>\$5,135</b>	<b>\$5,440</b>	<b>\$5,570</b>	<b>\$5,672</b>	<b>\$5,777</b>	<b>\$5,913</b>
26	<b>Debt Service</b>		\$3,257	\$4,933	\$5,046	\$5,170	\$5,172	\$5,170	\$5,174	\$5,170	\$5,170
27	<b>Net Subtotal</b>	<b>\$4,815</b>	<b>\$1,625</b>	<b>\$45</b>	<b>(\$13)</b>	<b>(\$35)</b>	<b>\$268</b>	<b>\$400</b>	<b>\$498</b>	<b>\$607</b>	<b>\$743</b>
28	<b>Coverage Ratio</b>		150%	101%	100%	99%	105%	108%	110%	112%	114%
<b>Other Non Operating Revenue</b>											
29	Away Game & Conf Guarantees	\$1,900	\$1,957	\$2,016	\$2,076	\$2,138	\$2,203	\$2,269	\$2,337	\$2,407	\$2,479
30	Five % of Student Fees	400	408	416	424	433	442	450	459	469	478
31	Other Innovation Village Revenue	0	0	0	0	0	0	0	0	0	0
32	<b>Total Other Sources</b>	<b>\$2,300</b>	<b>\$2,365</b>	<b>\$2,432</b>	<b>\$2,501</b>	<b>\$2,571</b>	<b>\$2,644</b>	<b>\$2,719</b>	<b>\$2,796</b>	<b>\$2,876</b>	<b>\$2,957</b>
33	<b>Net Operating Income Avail. For Reserves and Other</b>	<b>\$7,115</b>	<b>\$3,990</b>	<b>\$2,477</b>	<b>\$2,488</b>	<b>\$2,536</b>	<b>\$2,913</b>	<b>\$3,119</b>	<b>\$3,294</b>	<b>\$3,483</b>	<b>\$3,700</b>
34	<b>Deposit to Restricted Reserves</b>	<b>\$4,960</b>									
35	<b>Income for Coverage</b>	<b>\$2,156</b>	<b>\$3,990</b>	<b>\$2,477</b>	<b>\$2,488</b>	<b>\$2,536</b>	<b>\$2,913</b>	<b>\$3,119</b>	<b>\$3,294</b>	<b>\$3,483</b>	<b>\$3,700</b>
36	<b>Coverage Ratio including Fundraising</b>	NA	272%	151%	149%	148%	162%	168%	173%	179%	186%

\*Fiscal Year runs from July 1 through June 30

The new Football Stadium is expected to begin operation in the Fall of 2010

Source: Johnson Consulting

## **APPENDIX A-5**

Observations from the 45,000:

- Assumed capital budget of \$88 million, greatest of the three steel models provided
- 15,000 incremental seats
- A total of 26 luxury suites and incremental increase of six
- A total of 1,000 club seats (unchanged from prior stadium sizes)
- An additional stadium event to three total
- No additional parking planned, but will be necessary if a conference shift is determined as well as for games at the new stadium in which are sold out
- Stabilized debt service at \$5,873,000 annually.



## 45,000 Seat Steel Stadium

### FAU Football Stadium Financial Projection (\$000's, Inflated)

Ref	Fiscal Year*										
	'010-011*	'011-012	'012-013	'013-14	'14-15	'15-16	'16-17	'17-18	'18-19	'19-20	
<b>Operating Revenue</b>											
1	Ticket Sales Revenue	\$1,495	\$1,518	\$1,584	\$1,655	\$1,728	\$1,802	\$1,879	\$1,959	\$2,041	\$2,127
2	Net Concessions	360	368	384	401	419	435	452	469	487	506
3	Net Catering	49	50	51	52	54	55	56	58	59	61
4	Net Novelties	33	34	35	37	38	40	42	43	45	47
5	Net Parking	461	472	485	522	536	548	587	594	602	637
6	Premium Seating, less 7% fulfillment	2,093	2,124	2,156	2,189	2,223	2,466	2,501	2,538	2,575	2,613
7	Advertising and Sponsorship	372	411	421	431	442	453	465	476	488	500
8	Naming Rights less 7% fulfillment	698	698	698	698	698	698	698	698	698	698
9	Facility Fee/ Rebates	162	161	164	167	170	173	176	178	181	184
10	Other Revenue	90	91	93	94	96	106	108	109	111	112
11	Annual Capital Gifts	750	750	750	750	750	750	750	750	750	750
12	<b>Total Revenue</b>	<b>\$6,563</b>	<b>\$6,677</b>	<b>\$6,821</b>	<b>\$6,996</b>	<b>\$7,154</b>	<b>\$7,526</b>	<b>\$7,714</b>	<b>\$7,872</b>	<b>\$8,037</b>	<b>\$8,235</b>
<b>Operating Expense</b>											
Fixed											
13	Salary - Permanent Staff	\$200	\$205	\$210	\$215	\$221	\$226	\$232	\$238	\$244	\$250
14	Benefits - Permanent Staff	60	62	63	65	66	68	70	71	73	75
15	General and Administrative	180	185	189	194	199	204	209	214	219	225
16	Utilities	150	154	158	162	166	170	174	178	183	187
17	Repairs and Maintenance	240	246	252	323	331	339	348	357	366	375
18	Insurance	63	65	67	70	74	76	79	82	85	88
19	Communications	40	41	42	43	44	45	46	48	49	50
20	Advertising	56	62	63	65	66	68	70	71	73	75
21	Misc.	50	51	53	54	55	57	58	59	61	62
Variable											
21	Gameday Expenses	315	323	337	352	368	381	395	410	424	440
22	<b>Total Expenses</b>	<b>\$1,354</b>	<b>\$1,394</b>	<b>\$1,434</b>	<b>\$1,543</b>	<b>\$1,590</b>	<b>\$1,634</b>	<b>\$1,681</b>	<b>\$1,728</b>	<b>\$1,777</b>	<b>\$1,827</b>
23	<b>Net Operating Income (Deficit)</b>	<b>\$5,209</b>	<b>\$5,283</b>	<b>\$5,387</b>	<b>\$5,453</b>	<b>\$5,564</b>	<b>\$5,892</b>	<b>\$6,032</b>	<b>\$6,144</b>	<b>\$6,260</b>	<b>\$6,407</b>
24	<b>Deposit to Maintenance Reserve Account</b>	<b>\$394</b>	<b>\$401</b>	<b>\$409</b>	<b>\$420</b>	<b>\$429</b>	<b>\$452</b>	<b>\$463</b>	<b>\$472</b>	<b>\$482</b>	<b>\$494</b>
25	<b>Net Operating Income (Deficit) Avail. for Debt</b>	<b>\$4,815</b>	<b>\$4,882</b>	<b>\$4,978</b>	<b>\$5,033</b>	<b>\$5,135</b>	<b>\$5,440</b>	<b>\$5,570</b>	<b>\$5,672</b>	<b>\$5,777</b>	<b>\$5,913</b>
26	<b>Debt Service</b>		<b>\$3,607</b>	<b>\$5,483</b>	<b>\$5,619</b>	<b>\$5,725</b>	<b>\$5,724</b>	<b>\$5,725</b>	<b>\$5,725</b>	<b>\$5,725</b>	<b>\$5,725</b>
27	<b>Net Subtotal</b>	<b>\$4,815</b>	<b>\$1,275</b>	<b>(\$505)</b>	<b>(\$586)</b>	<b>(\$590)</b>	<b>(\$284)</b>	<b>(\$155)</b>	<b>(\$53)</b>	<b>\$52</b>	<b>\$188</b>
28	<b>Coverage Ratio</b>		135%	91%	90%	90%	95%	97%	99%	101%	103%
<b>Other Non Operating Revenue</b>											
29	Away Game & Conf Guarantees	\$1,900	\$1,957	\$2,016	\$2,076	\$2,138	\$2,203	\$2,269	\$2,337	\$2,407	\$2,479
30	Five % of Student Fees	400	408	416	424	433	442	450	459	469	478
31	Other Innovation Village Revenue	0	0	0	0	0	0	0	0	0	0
32	<b>Total Other Sources</b>	<b>\$2,300</b>	<b>\$2,365</b>	<b>\$2,432</b>	<b>\$2,501</b>	<b>\$2,571</b>	<b>\$2,644</b>	<b>\$2,719</b>	<b>\$2,796</b>	<b>\$2,876</b>	<b>\$2,957</b>
33	<b>Net Operating Income Avail. For Reserves and Other</b>	<b>\$7,115</b>	<b>\$3,640</b>	<b>\$1,927</b>	<b>\$1,915</b>	<b>\$1,981</b>	<b>\$2,361</b>	<b>\$2,564</b>	<b>\$2,743</b>	<b>\$2,928</b>	<b>\$3,145</b>
34	<b>Deposit to Restricted Reserves</b>	<b>\$4,960</b>									
35	<b>Income for Coverage</b>	<b>\$2,156</b>	<b>\$3,640</b>	<b>\$1,927</b>	<b>\$1,915</b>	<b>\$1,981</b>	<b>\$2,361</b>	<b>\$2,564</b>	<b>\$2,743</b>	<b>\$2,928</b>	<b>\$3,145</b>
36	<b>Coverage Ratio including Fundraising</b>	NA	236%	126%	124%	124%	136%	142%	147%	152%	158%

\*Fiscal Year runs from July 1 through June 30

The new Football Stadium is expected to begin operation in the Fall of 2010

Source: Johnson Consulting

## SOURCES AND USES OF FUNDS

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Dated Date 01/13/2009  
Delivery Date 01/13/2009

### Sources:

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Bond Proceeds:	
Par Amount	120,850,000.00
Other Sources of Funds:	
Build-Up from Initial Years Excess Revenues (est.)	7,930,425.00
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	128,780,425.00

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### Uses:

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Project Fund Deposits:	
Restricted Surplus Fund	7,930,425.00
Concrete Stadium Project Fund (gross funded) [1]	<hr/>
	98,000,000.00
	105,930,425.00
Other Fund Deposits:	
Debt Service Reserve Fund (gross funded)	7,930,425.00
Capit'd Interest Fund (thru 6/1/11, net funded)	<hr/>
	13,815,005.96
	21,745,430.96
Delivery Date Expenses:	
Cost of Issuance	500,000.00
Underwriter's Discount	<hr/>
	604,250.00
	1,104,250.00
Other Uses of Funds:	
Contingency	319.04
	<hr/>
	128,780,425.00

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Note: [1] Based on initial KUD estimates, last updated November 2006.

**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
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**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
03/01/2009		741,213.33	741,213.33	377,306.93	16,113.33			1,134,633.59		
09/01/2009		2,779,550.00	2,779,550.00	371,155.19	60,425.00	24,170		3,235,300.19		
03/01/2010		2,779,550.00	2,779,550.00	377,306.93	60,425.00			3,217,281.93		
09/01/2010		2,779,550.00	2,779,550.00	371,155.19	60,425.00	24,170		3,235,300.19		
03/01/2011		2,779,550.00	2,779,550.00	377,306.93	60,425.00			3,217,281.93		
09/01/2011		2,779,550.00	2,779,550.00	372,154.34	60,425.00	24,170		1,389,775.00	1,846,524.34	
03/01/2012		2,779,550.00	2,779,550.00	376,243.95	60,425.00		158,608.50		3,057,610.45	
06/30/2012										4,904,134.79
09/01/2012	1,335,000	2,779,550.00	4,114,550.00	367,055.13	60,425.00	23,903	158,608.50		4,407,324.63	
03/01/2013		2,748,845.00	2,748,845.00	373,138.92	59,757.50		158,608.50		3,023,132.92	
06/30/2013										7,430,457.55
09/01/2013	1,580,000	2,748,845.00	4,328,845.00	362,202.63	59,757.50	23,587	158,608.50		4,615,783.63	
03/01/2014		2,712,505.00	2,712,505.00	368,205.99	58,967.50		158,608.50		2,981,069.99	
06/30/2014										7,596,853.62
09/01/2014	1,860,000	2,712,505.00	4,572,505.00	356,490.18	58,967.50	23,215	158,608.50		4,852,569.18	
03/01/2015		2,669,725.00	2,669,725.00	362,398.86	58,037.50		158,608.50		2,931,552.86	
06/30/2015										7,784,122.04
09/01/2015	1,965,000	2,669,725.00	4,634,725.00	351,398.69	58,037.50	22,822	158,608.50		4,908,374.69	
03/01/2016		2,624,530.00	2,624,530.00	355,260.22	57,055.00		158,608.50		2,878,236.72	
06/30/2016										7,786,611.41
09/01/2016	2,075,000	2,624,530.00	4,699,530.00	344,082.51	57,055.00	22,407	158,608.50		4,964,466.01	
03/01/2017		2,576,805.00	2,576,805.00	349,785.54	56,017.50		158,608.50		2,823,999.54	
06/30/2017										7,788,465.55
09/01/2017	2,185,000	2,576,805.00	4,761,805.00	337,371.93	56,017.50	21,970	158,608.50		5,018,555.93	
03/01/2018		2,526,550.00	2,526,550.00	342,963.73	54,925.00		158,608.50		2,765,830.23	
06/30/2018										7,784,386.16
09/01/2018	2,310,000	2,526,550.00	4,836,550.00	330,277.45	54,925.00	21,508	158,608.50		5,084,651.95	
03/01/2019		2,473,420.00	2,473,420.00	335,751.66	53,770.00		158,608.50		2,704,333.16	
06/30/2019										7,788,985.11
09/01/2019	2,435,000	2,473,420.00	4,908,420.00	323,668.04	53,770.00	21,021	158,608.50		5,148,270.54	
03/01/2020		2,417,415.00	2,417,415.00	327,224.83	52,552.50		158,608.50		2,638,583.83	
06/30/2020										7,786,854.37
09/01/2020	2,570,000	2,417,415.00	4,987,415.00	314,906.06	52,552.50	20,507	158,608.50		5,216,772.06	
03/01/2021		2,358,305.00	2,358,305.00	320,125.50	51,267.50		158,608.50		2,571,089.50	
06/30/2021										7,787,861.56
09/01/2021	2,710,000	2,358,305.00	5,068,305.00	306,583.09	51,267.50	19,965	158,608.50		5,287,512.09	
03/01/2022		2,295,975.00	2,295,975.00	311,664.58	49,912.50		158,608.50		2,498,943.58	
06/30/2022										7,786,455.67
09/01/2022	2,860,000	2,295,975.00	5,155,975.00	297,799.45	49,912.50	19,393	158,608.50		5,364,471.45	
03/01/2023		2,230,195.00	2,230,195.00	302,735.35	48,482.50		158,608.50		2,422,804.35	
06/30/2023										7,787,275.80
09/01/2023	3,015,000	2,230,195.00	5,245,195.00	289,316.51	48,482.50	18,790	158,608.50		5,443,175.51	
03/01/2024		2,160,850.00	2,160,850.00	292,495.82	46,975.00		158,608.50		2,341,712.32	
06/30/2024										7,784,887.83
09/01/2024	3,180,000	2,160,850.00	5,340,850.00	278,773.33	46,975.00	18,154	158,608.50		5,526,143.83	
03/01/2025		2,087,710.00	2,087,710.00	283,393.88	45,385.00		158,608.50		2,257,880.38	
06/30/2025										7,784,024.21

**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA  
Stadium Project Revenue Bonds, Series 2009  
Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07  
Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support  
Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)  
(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
09/01/2025	3,360,000	2,087,710.00	5,447,710.00	268,454.08	45,385.00	17,482	158,608.50		5,620,422.58	
03/01/2026		2,010,430.00	2,010,430.00	272,903.59	43,705.00		158,608.50		2,168,430.09	
06/30/2026										7,788,852.67
09/01/2026	3,540,000	2,010,430.00	5,550,430.00	257,582.01	43,705.00	16,774	158,608.50		5,709,882.51	
03/01/2027		1,929,010.00	1,929,010.00	261,851.32	41,935.00		158,608.50		2,074,187.82	
06/30/2027										7,784,070.33
09/01/2027	3,735,000	1,929,010.00	5,664,010.00	246,773.59	41,935.00	16,027	158,608.50		5,810,137.09	
03/01/2028		1,843,105.00	1,843,105.00	249,485.39	40,067.50		158,608.50		1,974,049.39	
06/30/2028										7,784,186.48
09/01/2028	3,945,000	1,843,105.00	5,788,105.00	233,995.15	40,067.50	15,238	158,608.50		5,918,797.15	
03/01/2029		1,752,370.00	1,752,370.00	237,873.52	38,095.00		158,608.50		1,869,730.02	
06/30/2029										7,788,527.17
09/01/2029	4,160,000	1,752,370.00	5,912,370.00	221,218.94	38,095.00	14,406	158,608.50		6,027,481.44	
03/01/2030		1,656,690.00	1,656,690.00	224,885.55	36,015.00		158,608.50		1,758,982.05	
06/30/2030										7,786,463.49
09/01/2030	4,390,000	1,656,690.00	6,046,690.00	207,736.34	36,015.00	13,528	158,608.50		6,145,360.84	
03/01/2031		1,555,720.00	1,555,720.00	211,179.49	33,820.00		158,608.50		1,642,110.99	
06/30/2031										7,787,471.83
09/01/2031	4,630,000	1,555,720.00	6,185,720.00	194,037.61	33,820.00	12,602	158,608.50		6,267,571.11	
03/01/2032		1,449,230.00	1,449,230.00	196,169.89	31,505.00		158,608.50		1,518,296.39	
06/30/2032										7,785,867.50
09/01/2032	4,885,000	1,449,230.00	6,334,230.00	178,513.82	31,505.00	11,625	158,608.50		6,397,265.32	
03/01/2033		1,336,875.00	1,336,875.00	181,472.62	29,062.50		158,608.50		1,388,801.62	
06/30/2033										7,786,066.94
09/01/2033	5,155,000	1,336,875.00	6,491,875.00	162,681.76	29,062.50	10,594	158,608.50		6,535,604.76	
03/01/2034		1,218,310.00	1,218,310.00	165,378.14	26,485.00		158,608.50		1,251,564.64	
06/30/2034										7,787,169.40
09/01/2034	5,440,000	1,218,310.00	6,658,310.00	145,974.40	26,485.00	9,506	158,608.50		6,681,666.90	
03/01/2035		1,093,190.00	1,093,190.00	148,393.87	23,765.00		158,608.50		1,106,740.37	
06/30/2035										7,788,407.27
09/01/2035	5,735,000	1,093,190.00	6,828,190.00	128,706.58	23,765.00	8,359	158,608.50		6,830,412.08	
03/01/2036		961,285.00	961,285.00	130,120.94	20,897.50		158,608.50		953,694.94	
06/30/2036										7,784,107.02
09/01/2036	6,055,000	961,285.00	7,016,285.00	109,764.89	20,897.50	7,148	158,608.50		6,995,486.89	
03/01/2037		822,020.00	822,020.00	111,584.19	17,870.00		158,608.50		792,865.69	
06/30/2037										7,788,352.58
09/01/2037	6,385,000	822,020.00	7,207,020.00	90,155.24	17,870.00	5,871	158,608.50		7,162,307.74	
03/01/2038		675,165.00	675,165.00	91,649.52	14,677.50		158,608.50		622,883.52	
06/30/2038										7,785,191.26
09/01/2038	6,735,000	675,165.00	7,410,165.00	69,470.67	14,677.50	4,524	158,608.50		7,340,228.67	
03/01/2039		520,260.00	520,260.00	70,622.12	11,310.00		158,608.50		443,583.62	
06/30/2039										7,783,812.29
09/01/2039	7,110,000	520,260.00	7,630,260.00	47,762.63	11,310.00	3,102	158,608.50		7,533,826.13	

**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
03/01/2040		356,730.00	356,730.00	48,287.49	7,755.00		158,608.50		254,163.99	
06/30/2040										7,787,990.12
09/01/2040	15,510,000	356,730.00	15,866,730.00		7,755.00		8,089,033.50		7,785,451.50	
06/30/2041										7,785,451.50
	120,850,000	122,324,503.33	243,174,503.33	16,372,384.69	2,659,228.33	516,538	17,129,718.00	15,429,572.83	230,163,363.52	230,163,363.52

Notes:

[1] Interest earnings on the approximately \$7.9 million Restricted Surplus Fund (estimated at \$315,000/year) are not being shown to be conservative.

[2] Ongoing LOC fees assume 98 days @ 12% max rate (needs to be confirmed).

## NET DEBT SERVICE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Period Ending	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service
06/30/2009		741,213.33	741,213.33	377,306.93	16,113.33			1,134,633.59	
06/30/2010		5,559,100.00	5,559,100.00	748,462.12	120,850.00	24,170		6,452,582.12	
06/30/2011		5,559,100.00	5,559,100.00	748,462.12	120,850.00	24,170		6,452,582.12	
06/30/2012		5,559,100.00	5,559,100.00	748,398.29	120,850.00	24,170	158,608.50	1,389,775.00	4,904,134.79
06/30/2013	1,335,000	5,528,395.00	6,863,395.00	740,194.05	120,182.50	23,903	317,217.00		7,430,457.55
06/30/2014	1,580,000	5,461,350.00	7,041,350.00	730,408.62	118,725.00	23,587	317,217.00		7,596,853.62
06/30/2015	1,860,000	5,382,230.00	7,242,230.00	718,889.04	117,005.00	23,215	317,217.00		7,784,122.04
06/30/2016	1,965,000	5,294,255.00	7,259,255.00	706,658.91	115,092.50	22,822	317,217.00		7,786,611.41
06/30/2017	2,075,000	5,201,335.00	7,276,335.00	693,868.05	113,072.50	22,407	317,217.00		7,788,465.55
06/30/2018	2,185,000	5,103,355.00	7,288,355.00	680,335.66	110,942.50	21,970	317,217.00		7,784,386.16
06/30/2019	2,310,000	4,999,970.00	7,309,970.00	666,029.11	108,695.00	21,508	317,217.00		7,788,985.11
06/30/2020	2,435,000	4,890,835.00	7,325,835.00	650,892.87	106,322.50	21,021	317,217.00		7,786,854.37
06/30/2021	2,570,000	4,775,720.00	7,345,720.00	635,031.56	103,820.00	20,507	317,217.00		7,787,861.56
06/30/2022	2,710,000	4,654,280.00	7,364,280.00	618,247.67	101,180.00	19,965	317,217.00		7,786,455.67
06/30/2023	2,860,000	4,526,170.00	7,386,170.00	600,534.80	98,395.00	19,393	317,217.00		7,787,275.80
06/30/2024	3,015,000	4,391,045.00	7,406,045.00	581,812.33	95,457.50	18,790	317,217.00		7,784,887.83
06/30/2025	3,180,000	4,248,560.00	7,428,560.00	562,167.21	92,360.00	18,154	317,217.00		7,784,024.21
06/30/2026	3,360,000	4,098,140.00	7,458,140.00	541,357.67	89,090.00	17,482	317,217.00		7,788,852.67
06/30/2027	3,540,000	3,939,440.00	7,479,440.00	519,433.33	85,640.00	16,774	317,217.00		7,784,070.33
06/30/2028	3,735,000	3,772,115.00	7,507,115.00	496,258.98	82,002.50	16,027	317,217.00		7,784,186.48
06/30/2029	3,945,000	3,595,475.00	7,540,475.00	471,868.67	78,162.50	15,238	317,217.00		7,788,527.17
06/30/2030	4,160,000	3,409,060.00	7,569,060.00	446,104.49	74,110.00	14,406	317,217.00		7,786,463.49
06/30/2031	4,390,000	3,212,410.00	7,602,410.00	418,915.83	69,835.00	13,528	317,217.00		7,787,471.83
06/30/2032	4,630,000	3,004,950.00	7,634,950.00	390,207.50	65,325.00	12,602	317,217.00		7,785,867.50
06/30/2033	4,885,000	2,786,105.00	7,671,105.00	359,986.44	60,567.50	11,625	317,217.00		7,786,066.94
06/30/2034	5,155,000	2,555,185.00	7,710,185.00	328,059.90	55,547.50	10,594	317,217.00		7,787,169.40
06/30/2035	5,440,000	2,311,500.00	7,751,500.00	294,368.27	50,250.00	9,506	317,217.00		7,788,407.27
06/30/2036	5,735,000	2,054,475.00	7,789,475.00	258,827.52	44,662.50	8,359	317,217.00		7,784,107.02
06/30/2037	6,055,000	1,783,305.00	7,838,305.00	221,349.08	38,767.50	7,148	317,217.00		7,788,352.58
06/30/2038	6,385,000	1,497,185.00	7,882,185.00	181,804.76	32,547.50	5,871	317,217.00		7,785,191.26
06/30/2039	6,735,000	1,195,425.00	7,930,425.00	140,092.79	25,987.50	4,524	317,217.00		7,783,812.29
06/30/2040	7,110,000	876,990.00	7,986,990.00	96,050.12	19,065.00	3,102	317,217.00		7,787,990.12
06/30/2041	15,510,000	356,730.00	15,866,730.00		7,755.00		8,089,033.50		7,785,451.50
	120,850,000	122,324,503.33	243,174,503.33	16,372,384.69	2,659,228.33	516,538	17,129,718.00	15,429,572.83	230,163,363.52

Notes:

- [1] Interest earnings on the approximately \$7.9 million Restricted Surplus Fund (estimated at \$315,000/year) are not being shown to be conservative.
- [2] Ongoing LOC fees assume 98 days @ 12% max rate (needs to be confirmed).

## BOND PRICING

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2040:					
	09/01/2012	1,335,000	4.600%	4.600%	100.000
	09/01/2013	1,580,000	4.600%	4.600%	100.000
	09/01/2014	1,860,000	4.600%	4.600%	100.000
	09/01/2015	1,965,000	4.600%	4.600%	100.000
	09/01/2016	2,075,000	4.600%	4.600%	100.000
	09/01/2017	2,185,000	4.600%	4.600%	100.000
	09/01/2018	2,310,000	4.600%	4.600%	100.000
	09/01/2019	2,435,000	4.600%	4.600%	100.000
	09/01/2020	2,570,000	4.600%	4.600%	100.000
	09/01/2021	2,710,000	4.600%	4.600%	100.000
	09/01/2022	2,860,000	4.600%	4.600%	100.000
	09/01/2023	3,015,000	4.600%	4.600%	100.000
	09/01/2024	3,180,000	4.600%	4.600%	100.000
	09/01/2025	3,360,000	4.600%	4.600%	100.000
	09/01/2026	3,540,000	4.600%	4.600%	100.000
	09/01/2027	3,735,000	4.600%	4.600%	100.000
	09/01/2028	3,945,000	4.600%	4.600%	100.000
	09/01/2029	4,160,000	4.600%	4.600%	100.000
	09/01/2030	4,390,000	4.600%	4.600%	100.000
	09/01/2031	4,630,000	4.600%	4.600%	100.000
	09/01/2032	4,885,000	4.600%	4.600%	100.000
	09/01/2033	5,155,000	4.600%	4.600%	100.000
	09/01/2034	5,440,000	4.600%	4.600%	100.000
	09/01/2035	5,735,000	4.600%	4.600%	100.000
	09/01/2036	6,055,000	4.600%	4.600%	100.000
	09/01/2037	6,385,000	4.600%	4.600%	100.000
	09/01/2038	6,735,000	4.600%	4.600%	100.000
	09/01/2039	7,110,000	4.600%	4.600%	100.000
	09/01/2040	15,510,000	4.600%	4.600%	100.000
		120,850,000			

Dated Date	01/13/2009	
Delivery Date	01/13/2009	
First Coupon	03/01/2009	
Par Amount	120,850,000.00	
Original Issue Discount		
Production	120,850,000.00	100.000000%
Underwriter's Discount	-604,250.00	-0.500000%
Purchase Price	120,245,750.00	
Accrued Interest		
Net Proceeds	120,245,750.00	

## BOND SUMMARY STATISTICS

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Dated Date	01/13/2009
Delivery Date	01/13/2009
First Coupon	03/01/2009
Last Maturity	09/01/2040
Arbitrage Yield	5.229399%
True Interest Cost (TIC)	4.638498%
Net Interest Cost (NIC)	4.600000%
All-In TIC	5.424726%
Average Coupon	4.600000%
Average Life (years)	22.004
Duration of Issue (years)	13.441
Par Amount	120,850,000.00
Bond Proceeds	120,850,000.00
Total Interest	122,324,503.33
Net Interest	122,928,753.33
Bond Years from Dated Date	2,659,228,333.33
Bond Years from Delivery Date	2,659,228,333.33
Total Debt Service	243,174,503.33
Maximum Annual Debt Service	15,866,730.00
Average Annual Debt Service	7,687,286.72
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2040	120,850,000.00	100.000	4.600%	22.004	158,542.10
	120,850,000.00			22.004	158,542.10

	TIC	All-In TIC	Arbitrage Yield
Par Value	120,850,000.00	120,850,000.00	120,850,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-604,250.00	-604,250.00	
- Cost of Issuance Expense		-500,000.00	
- Other Amounts			
Target Value	120,245,750.00	119,745,750.00	120,850,000.00
Target Date	01/13/2009	01/13/2009	01/13/2009
Yield	4.638498%	5.424726%	5.229399%



**PROJECT FUND**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

**Concrete Stadium Project Fund (gross funded) [1]**

<b>Date</b>	<b>Deposit</b>	<b>Interest @ 4% [1]</b>	<b>Principal</b>	<b>Scheduled Draws</b>	<b>Balance</b>
01/13/2009	98,000,000		8,000,000.00	8,000,000.00	90,000,000.00
02/01/2009		180,000.00	4,736,842.02	4,736,842.02	85,263,157.98
03/01/2009		284,210.53	4,736,842.11	4,736,842.11	80,526,315.87
04/01/2009		268,421.05	4,736,842.11	4,736,842.11	75,789,473.76
05/01/2009		252,631.58	4,736,842.11	4,736,842.11	71,052,631.65
06/01/2009		236,842.11	4,736,842.11	4,736,842.11	66,315,789.54
07/01/2009		221,052.63	4,736,842.11	4,736,842.11	61,578,947.43
08/01/2009		205,263.16	4,736,842.11	4,736,842.11	56,842,105.32
09/01/2009		189,473.68	4,736,842.11	4,736,842.11	52,105,263.21
10/01/2009		173,684.21	4,736,842.11	4,736,842.11	47,368,421.10
11/01/2009		157,894.74	4,736,842.11	4,736,842.11	42,631,578.99
12/01/2009		142,105.26	4,736,842.11	4,736,842.11	37,894,736.88
01/01/2010		126,315.79	4,736,842.11	4,736,842.11	33,157,894.77
02/01/2010		110,526.32	4,736,842.11	4,736,842.11	28,421,052.66
03/01/2010		94,736.84	4,736,842.11	4,736,842.11	23,684,210.55
04/01/2010		78,947.37	4,736,842.11	4,736,842.11	18,947,368.44
05/01/2010		63,157.89	4,736,842.11	4,736,842.11	14,210,526.33
06/01/2010		47,368.42	4,736,842.11	4,736,842.11	9,473,684.22
07/01/2010		31,578.95	4,736,842.11	4,736,842.11	4,736,842.11
08/01/2010		15,789.47	4,736,842.11	4,736,842.11	
	98,000,000	2,880,000.00	98,000,000.00	98,000,000.00	

Average Life (years): 0.7347

**Notes:**

[1] Estimated Project Fund interest earnings of \$2,880,000 can be utilized to absorb any stadium project cost overruns or change orders. This is where the KUD GMP provides comfort.

**CAPITALIZED INTEREST FUND**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

**Capit'd Interest Fund (thru 6/1/11, net funded)**

<b>Date</b>	<b>Deposit</b>	<b>Interest @ 4%</b>	<b>Principal</b>	<b>Debt Service Reserve Fund (gross funded)</b>	<b>Scheduled Draws</b>	<b>Balance</b>
01/13/2009	13,815,005.96					13,815,005.96
03/01/2009		73,680.03	1,018,657.96	42,295.60	1,134,633.59	12,796,348.00
09/01/2009		255,926.96	2,820,764.73	158,608.50	3,235,300.19	9,975,583.27
03/01/2010		199,511.67	2,859,161.76	158,608.50	3,217,281.93	7,116,421.51
09/01/2010		142,328.43	2,934,363.26	158,608.50	3,235,300.19	4,182,058.25
03/01/2011		83,641.17	2,975,032.26	158,608.50	3,217,281.93	1,207,025.99
09/01/2011		24,140.52	1,207,025.98	158,608.50	1,389,775.00	0.01
	13,815,005.96	779,228.78	13,815,005.95	835,338.10	15,429,572.83	

Average Life (years): 1.4101

## COST OF ISSUANCE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
Bond Counsel Fee & Expenses	1.24121	150,000.00
Disclosure Counsel	0.82747	100,000.00
Financial Advisor	0.82747	100,000.00
Trustee Counsel	0.06206	7,500.00
Trustee Acceptance Fee	0.04137	5,000.00
Trustee First Annual Fee	0.20000	24,170.00
Bank Counsel Fees & Expenses	0.28962	35,000.00
Official Statement Printing	0.08275	10,000.00
Rating Agency (Moody's)	0.41374	50,000.00
Miscellaneous	0.15168	18,330.00
	<hr/> <hr/> 4.13736	<hr/> <hr/> 500,000.00

**Notes:**

[1] These are estimated costs subject to both FAU's and the FA's input.

[2] Feasibility Consultants Fee was pre-paid; the University has the ability to reimburse itself for this cost.

## ESTIMATED DEBT SERVICE COVERAGE FROM GROSS REVENUES [1]

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Gross Revenues [1]	Unused Revenues	Debt Serv Coverage
06/30/2009		741,213	-741,213				
06/30/2010		5,559,100	-5,559,100				
06/30/2011		5,559,100	-5,559,100				
06/30/2012		5,559,100	-654,965	4,904,135	9,808,270	4,904,135	200.00000%
06/30/2013	1,335,000	6,863,395	567,063	7,430,458	14,860,915	7,430,458	200.00000%
06/30/2014	1,580,000	7,041,350	555,504	7,596,854	15,193,707	7,596,854	200.00000%
06/30/2015	1,860,000	7,242,230	541,892	7,784,122	15,568,244	7,784,122	200.00000%
06/30/2016	1,965,000	7,259,255	527,356	7,786,611	15,573,223	7,786,611	200.00000%
06/30/2017	2,075,000	7,276,335	512,131	7,788,466	15,576,931	7,788,466	200.00000%
06/30/2018	2,185,000	7,288,355	496,031	7,784,386	15,568,772	7,784,386	200.00000%
06/30/2019	2,310,000	7,309,970	479,015	7,788,985	15,577,970	7,788,985	200.00000%
06/30/2020	2,435,000	7,325,835	461,019	7,786,854	15,573,709	7,786,854	200.00000%
06/30/2021	2,570,000	7,345,720	442,142	7,787,862	15,575,723	7,787,862	200.00000%
06/30/2022	2,710,000	7,364,280	422,176	7,786,456	15,572,911	7,786,456	200.00000%
06/30/2023	2,860,000	7,386,170	401,106	7,787,276	15,574,552	7,787,276	200.00000%
06/30/2024	3,015,000	7,406,045	378,843	7,784,888	15,569,776	7,784,888	200.00000%
06/30/2025	3,180,000	7,428,560	355,464	7,784,024	15,568,048	7,784,024	200.00000%
06/30/2026	3,360,000	7,458,140	330,713	7,788,853	15,577,705	7,788,853	200.00000%
06/30/2027	3,540,000	7,479,440	304,630	7,784,070	15,568,141	7,784,070	200.00000%
06/30/2028	3,735,000	7,507,115	277,071	7,784,186	15,568,373	7,784,186	200.00000%
06/30/2029	3,945,000	7,540,475	248,052	7,788,527	15,577,054	7,788,527	200.00000%
06/30/2030	4,160,000	7,569,060	217,403	7,786,463	15,572,927	7,786,463	200.00000%
06/30/2031	4,390,000	7,602,410	185,062	7,787,472	15,574,944	7,787,472	200.00000%
06/30/2032	4,630,000	7,634,950	150,918	7,785,868	15,571,735	7,785,868	200.00000%
06/30/2033	4,885,000	7,671,105	114,962	7,786,067	15,572,134	7,786,067	200.00000%
06/30/2034	5,155,000	7,710,185	76,984	7,787,169	15,574,339	7,787,169	200.00000%
06/30/2035	5,440,000	7,751,500	36,907	7,788,407	15,576,815	7,788,407	200.00000%
06/30/2036	5,735,000	7,789,475	-5,368	7,784,107	15,568,214	7,784,107	200.00000%
06/30/2037	6,055,000	7,838,305	-49,952	7,788,353	15,576,705	7,788,353	200.00000%
06/30/2038	6,385,000	7,882,185	-96,994	7,785,191	15,570,383	7,785,191	200.00000%
06/30/2039	6,735,000	7,930,425	-146,613	7,783,812	15,567,625	7,783,812	200.00000%
06/30/2040	7,110,000	7,986,990	-199,000	7,787,990	15,575,980	7,787,990	200.00000%
06/30/2041	15,510,000	15,866,730	-8,081,279	7,785,452	15,570,903	7,785,452	200.00000%
	120,850,000	243,174,503	-13,011,140	230,163,364	460,326,727	230,163,364	

Note: [1] Gross Revenues are shown @ 2.0 times Annual Net Debt Service.

**ESTIMATED DEBT SERVICE COVERAGE FROM NET REVENUES [1]**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1D: 30,000 Seat Open Air Concrete Stadium (w/ 5yr LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Debt Service Adjustments</b>	<b>Total Adj Debt Service</b>	<b>Net Revenues [1]</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2009		741,213	-741,213				
06/30/2010		5,559,100	-5,559,100				
06/30/2011		5,559,100	-5,559,100				
06/30/2012		5,559,100	-654,965	4,904,135	7,356,202	2,452,067	150.00000%
06/30/2013	1,335,000	6,863,395	567,063	7,430,458	11,145,686	3,715,229	150.00000%
06/30/2014	1,580,000	7,041,350	555,504	7,596,854	11,395,280	3,798,427	150.00000%
06/30/2015	1,860,000	7,242,230	541,892	7,784,122	11,676,183	3,892,061	150.00000%
06/30/2016	1,965,000	7,259,255	527,356	7,786,611	11,679,917	3,893,306	150.00000%
06/30/2017	2,075,000	7,276,335	512,131	7,788,466	11,682,698	3,894,233	150.00000%
06/30/2018	2,185,000	7,288,355	496,031	7,784,386	11,676,579	3,892,193	150.00000%
06/30/2019	2,310,000	7,309,970	479,015	7,788,985	11,683,478	3,894,493	150.00000%
06/30/2020	2,435,000	7,325,835	461,019	7,786,854	11,680,282	3,893,427	150.00000%
06/30/2021	2,570,000	7,345,720	442,142	7,787,862	11,681,792	3,893,931	150.00000%
06/30/2022	2,710,000	7,364,280	422,176	7,786,456	11,679,684	3,893,228	150.00000%
06/30/2023	2,860,000	7,386,170	401,106	7,787,276	11,680,914	3,893,638	150.00000%
06/30/2024	3,015,000	7,406,045	378,843	7,784,888	11,677,332	3,892,444	150.00000%
06/30/2025	3,180,000	7,428,560	355,464	7,784,024	11,676,036	3,892,012	150.00000%
06/30/2026	3,360,000	7,458,140	330,713	7,788,853	11,683,279	3,894,426	150.00000%
06/30/2027	3,540,000	7,479,440	304,630	7,784,070	11,676,106	3,892,035	150.00000%
06/30/2028	3,735,000	7,507,115	277,071	7,784,186	11,676,280	3,892,093	150.00000%
06/30/2029	3,945,000	7,540,475	248,052	7,788,527	11,682,791	3,894,264	150.00000%
06/30/2030	4,160,000	7,569,060	217,403	7,786,463	11,679,695	3,893,232	150.00000%
06/30/2031	4,390,000	7,602,410	185,062	7,787,472	11,681,208	3,893,736	150.00000%
06/30/2032	4,630,000	7,634,950	150,918	7,785,868	11,678,801	3,892,934	150.00000%
06/30/2033	4,885,000	7,671,105	114,962	7,786,067	11,679,100	3,893,033	150.00000%
06/30/2034	5,155,000	7,710,185	76,984	7,787,169	11,680,754	3,893,585	150.00000%
06/30/2035	5,440,000	7,751,500	36,907	7,788,407	11,682,611	3,894,204	150.00000%
06/30/2036	5,735,000	7,789,475	-5,368	7,784,107	11,676,161	3,892,054	150.00000%
06/30/2037	6,055,000	7,838,305	-49,952	7,788,353	11,682,529	3,894,176	150.00000%
06/30/2038	6,385,000	7,882,185	-96,994	7,785,191	11,677,787	3,892,596	150.00000%
06/30/2039	6,735,000	7,930,425	-146,613	7,783,812	11,675,718	3,891,906	150.00000%
06/30/2040	7,110,000	7,986,990	-199,000	7,787,990	11,681,985	3,893,995	150.00000%
06/30/2041	15,510,000	15,866,730	-8,081,279	7,785,452	11,678,177	3,892,726	150.00000%
	120,850,000	243,174,503	-13,011,140	230,163,364	345,245,045	115,081,682	

Note: [1] Net Revenues are shown @ 1.5 times Annual Net Debt Service.

## SOURCES AND USES OF FUNDS

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Dated Date 01/13/2009  
Delivery Date 01/13/2009

### Sources:

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Bond Proceeds:	
Par Amount	76,570,000.00
Other Sources of Funds:	
Build-up from Initial Years Excess Revenues (est.)	5,027,620.00
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	81,597,620.00

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### Uses:

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Project Fund Deposits:	
Stadium Project Fund (gross funded)	62,000,000.00
Restricted Surplus Fund	<u>5,027,620.00</u>
	67,027,620.00
Other Fund Deposits:	
Debt Service Reserve Fund (gross funded)	5,027,620.00
Capit'd Interest Fund (thru 6/1/11, net funded)	<u>8,752,832.57</u>
	13,780,452.57
Delivery Date Expenses:	
Cost of Issuance	402,682.50
Underwriter's Discount	<u>382,850.00</u>
	785,532.50
Other Uses of Funds:	
Contingency	4,014.93
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	81,597,620.00

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**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA  
Stadium Project Revenue Bonds, Series 2009  
Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07  
Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support  
Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)  
(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
03/01/2009		469,629.33	469,629.33	239,059.93	10,209.33			718,898.59		
09/01/2009		1,761,110.00	1,761,110.00	235,162.21	38,285.00	15,314		2,049,871.21		
03/01/2010		1,761,110.00	1,761,110.00	239,059.93	38,285.00			2,038,454.93		
09/01/2010		1,761,110.00	1,761,110.00	235,162.21	38,285.00	15,314		2,049,871.21		
03/01/2011		1,761,110.00	1,761,110.00	239,059.93	38,285.00			2,038,454.93		
09/01/2011		1,761,110.00	1,761,110.00	235,795.27	38,285.00	15,314		880,555.00	1,169,949.27	
03/01/2012		1,761,110.00	1,761,110.00	238,386.42	38,285.00		100,552.40		1,937,229.02	
06/30/2012										3,107,178.29
09/01/2012	845,000	1,761,110.00	2,606,110.00	232,567.04	38,285.00	15,145	100,552.40		2,791,554.64	
03/01/2013		1,741,675.00	1,741,675.00	236,421.74	37,862.50		100,552.40		1,915,406.84	
06/30/2013										4,706,961.48
09/01/2013	1,000,000	1,741,675.00	2,741,675.00	229,495.84	37,862.50	14,945	100,552.40		2,923,425.94	
03/01/2014		1,718,675.00	1,718,675.00	233,299.63	37,362.50		100,552.40		1,888,784.73	
06/30/2014										4,812,210.67
09/01/2014	1,180,000	1,718,675.00	2,898,675.00	225,871.81	37,362.50	14,709	100,552.40		3,076,065.91	
03/01/2015		1,691,535.00	1,691,535.00	229,615.54	36,772.50		100,552.40		1,857,370.64	
06/30/2015										4,933,436.55
09/01/2015	1,245,000	1,691,535.00	2,936,535.00	222,645.92	36,772.50	14,460	100,552.40		3,109,861.02	
03/01/2016		1,662,900.00	1,662,900.00	225,092.58	36,150.00		100,552.40		1,823,590.18	
06/30/2016										4,933,451.20
09/01/2016	1,315,000	1,662,900.00	2,977,900.00	218,009.53	36,150.00	14,197	100,552.40		3,145,704.13	
03/01/2017		1,632,655.00	1,632,655.00	221,622.94	35,492.50		100,552.40		1,789,218.04	
06/30/2017										4,934,922.17
09/01/2017	1,385,000	1,632,655.00	3,017,655.00	213,755.91	35,492.50	13,920	100,552.40		3,180,271.01	
03/01/2018		1,600,800.00	1,600,800.00	217,298.82	34,800.00		100,552.40		1,752,346.42	
06/30/2018										4,932,617.43
09/01/2018	1,460,000	1,600,800.00	3,060,800.00	209,271.95	34,800.00	13,628	100,552.40		3,217,947.55	
03/01/2019		1,567,220.00	1,567,220.00	212,740.54	34,070.00		100,552.40		1,713,478.14	
06/30/2019										4,931,425.69
09/01/2019	1,545,000	1,567,220.00	3,112,220.00	205,077.52	34,070.00	13,319	100,552.40		3,264,134.12	
03/01/2020		1,531,685.00	1,531,685.00	207,331.12	33,297.50		100,552.40		1,671,761.22	
06/30/2020										4,935,895.34
09/01/2020	1,630,000	1,531,685.00	3,161,685.00	199,520.87	33,297.50	12,993	100,552.40		3,306,943.97	
03/01/2021		1,494,195.00	1,494,195.00	202,827.84	32,482.50		100,552.40		1,628,952.94	
06/30/2021										4,935,896.91
09/01/2021	1,715,000	1,494,195.00	3,209,195.00	194,253.75	32,482.50	12,650	100,552.40		3,348,028.85	
03/01/2022		1,454,750.00	1,454,750.00	197,473.43	31,625.00		100,552.40		1,583,296.03	
06/30/2022										4,931,324.88
09/01/2022	1,810,000	1,454,750.00	3,264,750.00	188,694.87	31,625.00	12,288	100,552.40		3,396,805.47	
03/01/2023		1,413,120.00	1,413,120.00	191,822.41	30,720.00		100,552.40		1,535,110.01	
06/30/2023										4,931,915.48
09/01/2023	1,910,000	1,413,120.00	3,323,120.00	183,321.04	30,720.00	11,906	100,552.40		3,448,514.64	
03/01/2024		1,369,190.00	1,369,190.00	185,335.56	29,765.00		100,552.40		1,483,738.16	
06/30/2024										4,932,252.80
09/01/2024	2,015,000	1,369,190.00	3,384,190.00	176,640.39	29,765.00	11,503	100,552.40		3,501,545.99	
03/01/2025		1,322,845.00	1,322,845.00	179,568.13	28,757.50		100,552.40		1,430,618.23	
06/30/2025										4,932,164.22

**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
09/01/2025	2,125,000	1,322,845.00	3,447,845.00	170,114.08	28,757.50	11,078	100,552.40		3,557,242.18	
03/01/2026		1,273,970.00	1,273,970.00	172,933.65	27,695.00		100,552.40		1,374,046.25	
06/30/2026										4,931,288.43
09/01/2026	2,245,000	1,273,970.00	3,518,970.00	163,219.22	27,695.00	10,629	100,552.40		3,619,960.82	
03/01/2027		1,222,335.00	1,222,335.00	165,924.51	26,572.50		100,552.40		1,314,279.61	
06/30/2027										4,934,240.43
09/01/2027	2,370,000	1,222,335.00	3,592,335.00	156,360.25	26,572.50	10,155	100,552.40		3,684,870.35	
03/01/2028		1,167,825.00	1,167,825.00	158,078.50	25,387.50		100,552.40		1,250,738.60	
06/30/2028										4,935,608.95
09/01/2028	2,500,000	1,167,825.00	3,667,825.00	148,262.45	25,387.50	9,655	100,552.40		3,750,577.55	
03/01/2029		1,110,325.00	1,110,325.00	150,719.84	24,137.50		100,552.40		1,184,629.94	
06/30/2029										4,935,207.49
09/01/2029	2,635,000	1,110,325.00	3,745,325.00	140,169.82	24,137.50	9,128	100,552.40		3,818,207.92	
03/01/2030		1,049,720.00	1,049,720.00	142,493.08	22,820.00		100,552.40		1,114,480.68	
06/30/2030										4,932,688.60
09/01/2030	2,780,000	1,049,720.00	3,829,720.00	131,631.87	22,820.00	8,572	100,552.40		3,892,191.47	
03/01/2031		985,780.00	985,780.00	133,813.61	21,430.00		100,552.40		1,040,471.21	
06/30/2031										4,932,662.68
09/01/2031	2,935,000	985,780.00	3,920,780.00	122,947.97	21,430.00	7,985	100,552.40		3,972,590.57	
03/01/2032		918,275.00	918,275.00	124,299.05	19,962.50		100,552.40		961,984.15	
06/30/2032										4,934,574.72
09/01/2032	3,095,000	918,275.00	4,013,275.00	113,112.50	19,962.50	7,366	100,552.40		4,053,163.60	
03/01/2033		847,090.00	847,090.00	114,987.29	18,415.00		100,552.40		879,939.89	
06/30/2033										4,933,103.49
09/01/2033	3,265,000	847,090.00	4,112,090.00	103,085.01	18,415.00	6,713	100,552.40		4,139,750.61	
03/01/2034		771,995.00	771,995.00	104,793.61	16,782.50		100,552.40		793,018.71	
06/30/2034										4,932,769.32
09/01/2034	3,445,000	771,995.00	4,216,995.00	92,504.71	16,782.50	6,024	100,552.40		4,231,753.81	
03/01/2035		692,760.00	692,760.00	94,037.94	15,060.00		100,552.40		701,305.54	
06/30/2035										4,933,059.35
09/01/2035	3,635,000	692,760.00	4,327,760.00	81,559.85	15,060.00	5,297	100,552.40		4,329,124.45	
03/01/2036		609,155.00	609,155.00	82,456.11	13,242.50		100,552.40		604,301.21	
06/30/2036										4,933,425.66
09/01/2036	3,835,000	609,155.00	4,444,155.00	69,562.81	13,242.50	4,530	100,552.40		4,430,937.91	
03/01/2037		520,950.00	520,950.00	70,715.78	11,325.00		100,552.40		502,438.38	
06/30/2037										4,933,376.29
09/01/2037	4,045,000	520,950.00	4,565,950.00	57,139.78	11,325.00	3,721	100,552.40		4,537,583.38	
03/01/2038		427,915.00	427,915.00	58,086.85	9,302.50		100,552.40		394,751.95	
06/30/2038										4,932,335.33
09/01/2038	4,270,000	427,915.00	4,697,915.00	44,025.73	9,302.50	2,867	100,552.40		4,653,557.83	
03/01/2039		329,705.00	329,705.00	44,755.44	7,167.50		100,552.40		281,075.54	
06/30/2039										4,934,633.37
09/01/2039	4,505,000	329,705.00	4,834,705.00	30,271.22	7,167.50	1,966	100,552.40		4,773,557.32	



## NET DEBT SERVICE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
03/01/2040		226,090.00	226,090.00	30,603.87	4,915.00		100,552.40		161,056.47	
06/30/2040										4,934,613.79
09/01/2040	9,830,000	226,090.00	10,056,090.00		4,915.00		5,128,172.40		4,932,832.60	
06/30/2041										4,932,832.60
	76,570,000	77,507,669.33	154,077,669.33	10,373,929.02	1,684,949.33	327,291	10,859,659.20	9,776,105.87	145,828,073.61	145,828,073.61

Notes:

[1] Interest earnings on the approximately \$5 million Restricted Surplus Fund (estimated at \$200,000/year) are not being shown to be conservative.

[2] Ongoing LOC fees assume 98 days @ 12% max rate (needs to be confirmed).

## NET DEBT SERVICE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Period Ending	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service
06/30/2009		469,629.33	469,629.33	239,059.93	10,209.33			718,898.59	
06/30/2010		3,522,220.00	3,522,220.00	474,222.14	76,570.00	15,314		4,088,326.14	
06/30/2011		3,522,220.00	3,522,220.00	474,222.14	76,570.00	15,314		4,088,326.14	
06/30/2012		3,522,220.00	3,522,220.00	474,181.69	76,570.00	15,314	100,552.40	880,555.00	3,107,178.29
06/30/2013	845,000	3,502,785.00	4,347,785.00	468,988.78	76,147.50	15,145	201,104.80		4,706,961.48
06/30/2014	1,000,000	3,460,350.00	4,460,350.00	462,795.47	75,225.00	14,945	201,104.80		4,812,210.67
06/30/2015	1,180,000	3,410,210.00	4,590,210.00	455,487.35	74,135.00	14,709	201,104.80		4,933,436.55
06/30/2016	1,245,000	3,354,435.00	4,599,435.00	447,738.50	72,922.50	14,460	201,104.80		4,933,451.20
06/30/2017	1,315,000	3,295,555.00	4,610,555.00	439,632.47	71,642.50	14,197	201,104.80		4,934,922.17
06/30/2018	1,385,000	3,233,455.00	4,618,455.00	431,054.73	70,292.50	13,920	201,104.80		4,932,617.43
06/30/2019	1,460,000	3,168,020.00	4,628,020.00	422,012.49	68,870.00	13,628	201,104.80		4,931,425.69
06/30/2020	1,545,000	3,098,905.00	4,643,905.00	412,408.64	67,367.50	13,319	201,104.80		4,935,895.34
06/30/2021	1,630,000	3,025,880.00	4,655,880.00	402,348.71	65,780.00	12,993	201,104.80		4,935,896.91
06/30/2022	1,715,000	2,948,945.00	4,663,945.00	391,727.18	64,107.50	12,650	201,104.80		4,931,324.88
06/30/2023	1,810,000	2,867,870.00	4,677,870.00	380,517.28	62,345.00	12,288	201,104.80		4,931,915.48
06/30/2024	1,910,000	2,782,310.00	4,692,310.00	368,656.60	60,485.00	11,906	201,104.80		4,932,252.80
06/30/2025	2,015,000	2,692,035.00	4,707,035.00	356,208.52	58,522.50	11,503	201,104.80		4,932,164.22
06/30/2026	2,125,000	2,596,815.00	4,721,815.00	343,047.73	56,452.50	11,078	201,104.80		4,931,288.43
06/30/2027	2,245,000	2,496,305.00	4,741,305.00	329,143.73	54,267.50	10,629	201,104.80		4,934,240.43
06/30/2028	2,370,000	2,390,160.00	4,760,160.00	314,438.75	51,960.00	10,155	201,104.80		4,935,608.95
06/30/2029	2,500,000	2,278,150.00	4,778,150.00	298,982.29	49,525.00	9,655	201,104.80		4,935,207.49
06/30/2030	2,635,000	2,160,045.00	4,795,045.00	282,662.90	46,957.50	9,128	201,104.80		4,932,688.60
06/30/2031	2,780,000	2,035,500.00	4,815,500.00	265,445.48	44,250.00	8,572	201,104.80		4,932,662.68
06/30/2032	2,935,000	1,904,055.00	4,839,055.00	247,247.02	41,392.50	7,985	201,104.80		4,934,574.72
06/30/2033	3,095,000	1,765,365.00	4,860,365.00	228,099.79	38,377.50	7,366	201,104.80		4,933,103.49
06/30/2034	3,265,000	1,619,085.00	4,884,085.00	207,878.62	35,197.50	6,713	201,104.80		4,932,769.32
06/30/2035	3,445,000	1,464,755.00	4,909,755.00	186,542.65	31,842.50	6,024	201,104.80		4,933,059.35
06/30/2036	3,635,000	1,301,915.00	4,936,915.00	164,015.96	28,302.50	5,297	201,104.80		4,933,425.66
06/30/2037	3,835,000	1,130,105.00	4,965,105.00	140,278.59	24,567.50	4,530	201,104.80		4,933,376.29
06/30/2038	4,045,000	948,865.00	4,993,865.00	115,226.63	20,627.50	3,721	201,104.80		4,932,335.33
06/30/2039	4,270,000	757,620.00	5,027,620.00	88,781.17	16,470.00	2,867	201,104.80		4,934,633.37
06/30/2040	4,505,000	555,795.00	5,060,795.00	60,875.09	12,082.50	1,966	201,104.80		4,934,613.79
06/30/2041	9,830,000	226,090.00	10,056,090.00		4,915.00		5,128,172.40		4,932,832.60
	76,570,000	77,507,669.33	154,077,669.33	10,373,929.02	1,684,949.33	327,291	10,859,659.20	9,776,105.87	145,828,073.61

Notes:

- [1] Interest earnings on the approximately \$5 million Restricted Surplus Fund (estimated at \$200,000/year) are not being shown to be conservative.
- [2] Ongoing LOC fees assume 98 days @ 12% max rate (needs to be confirmed).

## BOND PRICING

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2039:					
	09/01/2012	845,000	4.600%	4.600%	100.000
	09/01/2013	1,000,000	4.600%	4.600%	100.000
	09/01/2014	1,180,000	4.600%	4.600%	100.000
	09/01/2015	1,245,000	4.600%	4.600%	100.000
	09/01/2016	1,315,000	4.600%	4.600%	100.000
	09/01/2017	1,385,000	4.600%	4.600%	100.000
	09/01/2018	1,460,000	4.600%	4.600%	100.000
	09/01/2019	1,545,000	4.600%	4.600%	100.000
	09/01/2020	1,630,000	4.600%	4.600%	100.000
	09/01/2021	1,715,000	4.600%	4.600%	100.000
	09/01/2022	1,810,000	4.600%	4.600%	100.000
	09/01/2023	1,910,000	4.600%	4.600%	100.000
	09/01/2024	2,015,000	4.600%	4.600%	100.000
	09/01/2025	2,125,000	4.600%	4.600%	100.000
	09/01/2026	2,245,000	4.600%	4.600%	100.000
	09/01/2027	2,370,000	4.600%	4.600%	100.000
	09/01/2028	2,500,000	4.600%	4.600%	100.000
	09/01/2029	2,635,000	4.600%	4.600%	100.000
	09/01/2030	2,780,000	4.600%	4.600%	100.000
	09/01/2031	2,935,000	4.600%	4.600%	100.000
	09/01/2032	3,095,000	4.600%	4.600%	100.000
	09/01/2033	3,265,000	4.600%	4.600%	100.000
	09/01/2034	3,445,000	4.600%	4.600%	100.000
	09/01/2035	3,635,000	4.600%	4.600%	100.000
	09/01/2036	3,835,000	4.600%	4.600%	100.000
	09/01/2037	4,045,000	4.600%	4.600%	100.000
	09/01/2038	4,270,000	4.600%	4.600%	100.000
	09/01/2039	4,505,000	4.600%	4.600%	100.000
	09/01/2040	9,830,000	4.600%	4.600%	100.000
		76,570,000			

Dated Date	01/13/2009	
Delivery Date	01/13/2009	
First Coupon	03/01/2009	
Par Amount	76,570,000.00	
Original Issue Discount		
Production	76,570,000.00	100.000000%
Underwriter's Discount	-382,850.00	-0.500000%
Purchase Price	76,187,150.00	
Accrued Interest		
Net Proceeds	76,187,150.00	

## BOND SUMMARY STATISTICS

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Dated Date	01/13/2009
Delivery Date	01/13/2009
First Coupon	03/01/2009
Last Maturity	09/01/2040
Arbitrage Yield	5.229399%
True Interest Cost (TIC)	4.638497%
Net Interest Cost (NIC)	4.600000%
All-In TIC	5.434033%
Average Coupon	4.600000%
Average Life (years)	22.005
Duration of Issue (years)	13.441
Par Amount	76,570,000.00
Bond Proceeds	76,570,000.00
Total Interest	77,507,669.33
Net Interest	77,890,519.33
Bond Years from Dated Date	1,684,949,333.33
Bond Years from Delivery Date	1,684,949,333.33
Total Debt Service	154,077,669.33
Maximum Annual Debt Service	10,056,090.00
Average Annual Debt Service	4,870,737.70
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2039	76,570,000.00	100.000	4.600%	22.005	100,454.45
	76,570,000.00			22.005	100,454.45

	TIC	All-In TIC	Arbitrage Yield
Par Value	76,570,000.00	76,570,000.00	76,570,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-382,850.00	-382,850.00	
- Cost of Issuance Expense		-402,682.50	
- Other Amounts			
Target Value	76,187,150.00	75,784,467.50	76,570,000.00
Target Date	01/13/2009	01/13/2009	01/13/2009
Yield	4.638497%	5.434033%	5.229399%

**PROJECT FUND**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

**Stadium Project Fund (gross funded)**

<b>Date</b>	<b>Deposit</b>	<b>Interest @ 4% [1]</b>	<b>Principal</b>	<b>Scheduled Draws</b>	<b>Balance</b>
01/13/2009	62,000,000		5,000,000	5,000,000	57,000,000
02/01/2009		114,000	3,000,000	3,000,000	54,000,000
03/01/2009		180,000	3,000,000	3,000,000	51,000,000
04/01/2009		170,000	3,000,000	3,000,000	48,000,000
05/01/2009		160,000	3,000,000	3,000,000	45,000,000
06/01/2009		150,000	3,000,000	3,000,000	42,000,000
07/01/2009		140,000	3,000,000	3,000,000	39,000,000
08/01/2009		130,000	3,000,000	3,000,000	36,000,000
09/01/2009		120,000	3,000,000	3,000,000	33,000,000
10/01/2009		110,000	3,000,000	3,000,000	30,000,000
11/01/2009		100,000	3,000,000	3,000,000	27,000,000
12/01/2009		90,000	3,000,000	3,000,000	24,000,000
01/01/2010		80,000	3,000,000	3,000,000	21,000,000
02/01/2010		70,000	3,000,000	3,000,000	18,000,000
03/01/2010		60,000	3,000,000	3,000,000	15,000,000
04/01/2010		50,000	3,000,000	3,000,000	12,000,000
05/01/2010		40,000	3,000,000	3,000,000	9,000,000
06/01/2010		30,000	3,000,000	3,000,000	6,000,000
07/01/2010		20,000	3,000,000	3,000,000	3,000,000
08/01/2010		10,000	3,000,000	3,000,000	
	62,000,000	1,824,000	62,000,000	62,000,000	

Average Life (years): 0.7355

Notes:  
 [1] Estimated Project Fund interest earnings of \$1,824,000 can be utilized to absorb any stadium project cost overruns or change orders. This is where the KUD GMP provides comfort.

**CAPITALIZED INTEREST FUND**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

**Capit'd Interest Fund (thru 6/1/11, net funded)**

<b>Date</b>	<b>Deposit</b>	<b>Interest @ 4%</b>	<b>Principal</b>	<b>Debt Service Reserve Fund (gross funded)</b>	<b>Scheduled Draws</b>	<b>Balance</b>
01/13/2009	8,752,832.57					8,752,832.57
03/01/2009		46,681.77	645,402.85	26,813.97	718,898.59	8,107,429.72
09/01/2009		162,148.59	1,787,170.22	100,552.40	2,049,871.21	6,320,259.50
03/01/2010		126,405.19	1,811,497.34	100,552.40	2,038,454.93	4,508,762.16
09/01/2010		90,175.24	1,859,143.57	100,552.40	2,049,871.21	2,649,618.59
03/01/2011		52,992.37	1,884,910.16	100,552.40	2,038,454.93	764,708.43
09/01/2011		15,294.17	764,708.43	100,552.40	880,555.00	
	8,752,832.57	493,697.33	8,752,832.57	529,575.97	9,776,105.87	

Average Life (years): 1.4101

## COST OF ISSUANCE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
Bond Counsel Fee & Expenses	1.50000	114,855.00
Disclosure Counsel	1.00000	76,570.00
Financial Advisor	1.00000	76,570.00
Trustee Counsel	0.09795	7,500.00
Trustee Acceptance Fee	0.06530	5,000.00
Trustee First Annual Fee	0.20000	15,314.00
Bank Counsel Fees & Expenses	0.45710	35,000.00
Official Statement Printing	0.13060	10,000.00
Rating Agency (Moody's)	0.65300	50,000.00
Miscellaneous	0.15507	11,873.50
	<hr/>	<hr/>
	5.25901	402,682.50

**Notes:**

[1] These are estimated costs subject to both FAU's and the FA's input.

[2] Feasibility Consultants Fee was pre-paid; the University has the ability to reimburse itself for this cost.

## ESTIMATED DEBT SERVICE COVERAGE FROM GROSS REVENUES [1]

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Gross Revenues [1]	Unused Revenues	Debt Serv Coverage
06/30/2009		469,629	-469,629				
06/30/2010		3,522,220	-3,522,220				
06/30/2011		3,522,220	-3,522,220				
06/30/2012		3,522,220	-415,042	3,107,178	6,214,357	3,107,178	200.00000%
06/30/2013	845,000	4,347,785	359,176	4,706,961	9,413,923	4,706,961	200.00000%
06/30/2014	1,000,000	4,460,350	351,861	4,812,211	9,624,421	4,812,211	200.00000%
06/30/2015	1,180,000	4,590,210	343,227	4,933,437	9,866,873	4,933,437	200.00000%
06/30/2016	1,245,000	4,599,435	334,016	4,933,451	9,866,902	4,933,451	200.00000%
06/30/2017	1,315,000	4,610,555	324,367	4,934,922	9,869,844	4,934,922	200.00000%
06/30/2018	1,385,000	4,618,455	314,162	4,932,617	9,865,235	4,932,617	200.00000%
06/30/2019	1,460,000	4,628,020	303,406	4,931,426	9,862,851	4,931,426	200.00000%
06/30/2020	1,545,000	4,643,905	291,990	4,935,895	9,871,791	4,935,895	200.00000%
06/30/2021	1,630,000	4,655,880	280,017	4,935,897	9,871,794	4,935,897	200.00000%
06/30/2022	1,715,000	4,663,945	267,380	4,931,325	9,862,650	4,931,325	200.00000%
06/30/2023	1,810,000	4,677,870	254,045	4,931,915	9,863,831	4,931,915	200.00000%
06/30/2024	1,910,000	4,692,310	239,943	4,932,253	9,864,506	4,932,253	200.00000%
06/30/2025	2,015,000	4,707,035	225,129	4,932,164	9,864,328	4,932,164	200.00000%
06/30/2026	2,125,000	4,721,815	209,473	4,931,288	9,862,577	4,931,288	200.00000%
06/30/2027	2,245,000	4,741,305	192,935	4,934,240	9,868,481	4,934,240	200.00000%
06/30/2028	2,370,000	4,760,160	175,449	4,935,609	9,871,218	4,935,609	200.00000%
06/30/2029	2,500,000	4,778,150	157,057	4,935,207	9,870,415	4,935,207	200.00000%
06/30/2030	2,635,000	4,795,045	137,644	4,932,689	9,865,377	4,932,689	200.00000%
06/30/2031	2,780,000	4,815,500	117,163	4,932,663	9,865,325	4,932,663	200.00000%
06/30/2032	2,935,000	4,839,055	95,520	4,934,575	9,869,149	4,934,575	200.00000%
06/30/2033	3,095,000	4,860,365	72,738	4,933,103	9,866,207	4,933,103	200.00000%
06/30/2034	3,265,000	4,884,085	48,684	4,932,769	9,865,539	4,932,769	200.00000%
06/30/2035	3,445,000	4,909,755	23,304	4,933,059	9,866,119	4,933,059	200.00000%
06/30/2036	3,635,000	4,936,915	-3,489	4,933,426	9,866,851	4,933,426	200.00000%
06/30/2037	3,835,000	4,965,105	-31,729	4,933,376	9,866,753	4,933,376	200.00000%
06/30/2038	4,045,000	4,993,865	-61,530	4,932,335	9,864,671	4,932,335	200.00000%
06/30/2039	4,270,000	5,027,620	-92,987	4,934,633	9,869,267	4,934,633	200.00000%
06/30/2040	4,505,000	5,060,795	-126,181	4,934,614	9,869,228	4,934,614	200.00000%
06/30/2041	9,830,000	10,056,090	-5,123,257	4,932,833	9,865,665	4,932,833	200.00000%
	76,570,000	154,077,669	-8,249,596	145,828,074	291,656,147	145,828,074	

Note: [1] Gross Revenues are shown @ 2.0 times Annual Net Debt Service.



**ESTIMATED DEBT SERVICE COVERAGE FROM NET REVENUES [1]**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1A: 30,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Debt Service Adjustments</b>	<b>Total Adj Debt Service</b>	<b>Net Revenues [1]</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2009		469,629	-469,629				
06/30/2010		3,522,220	-3,522,220				
06/30/2011		3,522,220	-3,522,220				
06/30/2012		3,522,220	-415,042	3,107,178	4,660,767	1,553,589	150.00000%
06/30/2013	845,000	4,347,785	359,176	4,706,961	7,060,442	2,353,481	150.00000%
06/30/2014	1,000,000	4,460,350	351,861	4,812,211	7,218,316	2,406,105	150.00000%
06/30/2015	1,180,000	4,590,210	343,227	4,933,437	7,400,155	2,466,718	150.00000%
06/30/2016	1,245,000	4,599,435	334,016	4,933,451	7,400,177	2,466,726	150.00000%
06/30/2017	1,315,000	4,610,555	324,367	4,934,922	7,402,383	2,467,461	150.00000%
06/30/2018	1,385,000	4,618,455	314,162	4,932,617	7,398,926	2,466,309	150.00000%
06/30/2019	1,460,000	4,628,020	303,406	4,931,426	7,397,139	2,465,713	150.00000%
06/30/2020	1,545,000	4,643,905	291,990	4,935,895	7,403,843	2,467,948	150.00000%
06/30/2021	1,630,000	4,655,880	280,017	4,935,897	7,403,845	2,467,948	150.00000%
06/30/2022	1,715,000	4,663,945	267,380	4,931,325	7,396,987	2,465,662	150.00000%
06/30/2023	1,810,000	4,677,870	254,045	4,931,915	7,397,873	2,465,958	150.00000%
06/30/2024	1,910,000	4,692,310	239,943	4,932,253	7,398,379	2,466,126	150.00000%
06/30/2025	2,015,000	4,707,035	225,129	4,932,164	7,398,246	2,466,082	150.00000%
06/30/2026	2,125,000	4,721,815	209,473	4,931,288	7,396,933	2,465,644	150.00000%
06/30/2027	2,245,000	4,741,305	192,935	4,934,240	7,401,361	2,467,120	150.00000%
06/30/2028	2,370,000	4,760,160	175,449	4,935,609	7,403,413	2,467,804	150.00000%
06/30/2029	2,500,000	4,778,150	157,057	4,935,207	7,402,811	2,467,604	150.00000%
06/30/2030	2,635,000	4,795,045	137,644	4,932,689	7,399,033	2,466,344	150.00000%
06/30/2031	2,780,000	4,815,500	117,163	4,932,663	7,398,994	2,466,331	150.00000%
06/30/2032	2,935,000	4,839,055	95,520	4,934,575	7,401,862	2,467,287	150.00000%
06/30/2033	3,095,000	4,860,365	72,738	4,933,103	7,399,655	2,466,552	150.00000%
06/30/2034	3,265,000	4,884,085	48,684	4,932,769	7,399,154	2,466,385	150.00000%
06/30/2035	3,445,000	4,909,755	23,304	4,933,059	7,399,589	2,466,530	150.00000%
06/30/2036	3,635,000	4,936,915	-3,489	4,933,426	7,400,138	2,466,713	150.00000%
06/30/2037	3,835,000	4,965,105	-31,729	4,933,376	7,400,064	2,466,688	150.00000%
06/30/2038	4,045,000	4,993,865	-61,530	4,932,335	7,398,503	2,466,168	150.00000%
06/30/2039	4,270,000	5,027,620	-92,987	4,934,633	7,401,950	2,467,317	150.00000%
06/30/2040	4,505,000	5,060,795	-126,181	4,934,614	7,401,921	2,467,307	150.00000%
06/30/2041	9,830,000	10,056,090	-5,123,257	4,932,833	7,399,249	2,466,416	150.00000%
	76,570,000	154,077,669	-8,249,596	145,828,074	218,742,111	72,914,037	

Note: [1] Net Revenues are shown @ 1.5 times Annual Net Debt Service.

## SOURCES AND USES OF FUNDS

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Dated Date 01/13/2009  
Delivery Date 01/13/2009

### Sources:

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Bond Proceeds:	
Par Amount	80,265,000.00
Other Sources of Funds:	
Build-Up of Initial Years Excess Revenues (est.)	5,269,075.00
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	85,534,075.00

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### Uses:

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Project Fund Deposits:	
Stadium Project Fund (gross funded)	65,000,000.00
Restricted Surplus Fund	<u>5,269,075.00</u>
	70,269,075.00
Other Fund Deposits:	
Debt Service Reserve Fund (gross funded)	5,269,075.00
Capit'd Interest Fund (thru 6/1/11, net funded)	<u>9,175,328.54</u>
	14,444,403.54
Delivery Date Expenses:	
Cost of Issuance	415,000.00
Underwriter's Discount	<u>401,325.00</u>
	816,325.00
Other Uses of Funds:	
Contingency	4,271.46
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	85,534,075.00

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**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
03/01/2009		492,292	492,292	250,596.12	10,702.00			753,590.12		
09/01/2009		1,846,095	1,846,095	246,510.31	40,132.50	16,053		2,148,790.81		
03/01/2010		1,846,095	1,846,095	250,596.12	40,132.50			2,136,823.62		
09/01/2010		1,846,095	1,846,095	246,510.31	40,132.50	16,053		2,148,790.81		
03/01/2011		1,846,095	1,846,095	250,596.12	40,132.50			2,136,823.62		
09/01/2011		1,846,095	1,846,095	247,173.92	40,132.50	16,053		923,047.50	1,226,406.92	
03/01/2012		1,846,095	1,846,095	249,890.12	40,132.50		105,381.50		2,030,736.12	
06/30/2012										3,257,143.04
09/01/2012	885,000	1,846,095	2,731,095	243,792.30	40,132.50	15,876	105,381.50		2,925,514.30	
03/01/2013		1,825,740	1,825,740	247,833.05	39,690.00		105,381.50		2,007,881.55	
06/30/2013										4,933,395.85
09/01/2013	1,050,000	1,825,740	2,875,740	240,567.53	39,690.00	15,666	105,381.50		3,066,282.03	
03/01/2014		1,801,590	1,801,590	244,554.84	39,165.00		105,381.50		1,979,928.34	
06/30/2014										5,046,210.37
09/01/2014	1,235,000	1,801,590	3,036,590	236,774.59	39,165.00	15,419	105,381.50		3,222,567.09	
03/01/2015		1,773,185	1,773,185	240,699.03	38,547.50		105,381.50		1,947,050.03	
06/30/2015										5,169,617.12
09/01/2015	1,305,000	1,773,185	3,078,185	233,393.28	38,547.50	15,158	105,381.50		3,259,902.28	
03/01/2016		1,743,170	1,743,170	235,958.04	37,895.00		105,381.50		1,911,641.54	
06/30/2016										5,171,543.82
09/01/2016	1,375,000	1,743,170	3,118,170	228,543.76	37,895.00	14,883	105,381.50		3,294,110.26	
03/01/2017		1,711,545	1,711,545	232,331.78	37,207.50		105,381.50		1,875,702.78	
06/30/2017										5,169,813.04
09/01/2017	1,455,000	1,711,545	3,166,545	224,075.16	37,207.50	14,592	105,381.50		3,337,038.16	
03/01/2018		1,678,080	1,678,080	227,789.11	36,480.00		105,381.50		1,836,967.61	
06/30/2018										5,174,005.77
09/01/2018	1,530,000	1,678,080	3,208,080	219,376.21	36,480.00	14,286	105,381.50		3,372,840.71	
03/01/2019		1,642,890	1,642,890	223,012.28	35,715.00		105,381.50		1,796,235.78	
06/30/2019										5,169,076.49
09/01/2019	1,615,000	1,642,890	3,257,890	214,993.43	35,715.00	13,963	105,381.50		3,417,179.93	
03/01/2020		1,605,745	1,605,745	217,355.99	34,907.50		105,381.50		1,752,626.99	
06/30/2020										5,169,806.92
09/01/2020	1,705,000	1,605,745	3,310,745	209,179.81	34,907.50	13,622	105,381.50		3,463,072.81	
03/01/2021		1,566,530	1,566,530	212,646.88	34,055.00		105,381.50		1,707,850.38	
06/30/2021										5,170,923.19
09/01/2021	1,800,000	1,566,530	3,366,530	203,651.64	34,055.00	13,262	105,381.50		3,512,117.14	
03/01/2022		1,525,130	1,525,130	207,027.08	33,155.00		105,381.50		1,659,930.58	
06/30/2022										5,172,047.72
09/01/2022	1,900,000	1,525,130	3,425,130	197,816.35	33,155.00	12,882	105,381.50		3,563,601.85	
03/01/2023		1,481,430	1,481,430	201,095.07	32,205.00		105,381.50		1,609,348.57	
06/30/2023										5,172,950.42
09/01/2023	2,005,000	1,481,430	3,486,430	192,174.53	32,205.00	12,481	105,381.50		3,617,909.03	
03/01/2024		1,435,315	1,435,315	194,286.34	31,202.50		105,381.50		1,555,422.34	
06/30/2024										5,173,331.37
09/01/2024	2,115,000	1,435,315	3,550,315	185,162.98	31,202.50	12,058	105,381.50		3,673,356.98	
03/01/2025		1,386,670	1,386,670	188,231.98	30,145.00		105,381.50		1,499,665.48	
06/30/2025										5,173,022.46

**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>LOC Fee (est'd @ 60 bps) [2]</b>	<b>Remarketing Fee (est'd @ 10 bps)</b>	<b>Trustee Fee (est'd @ 2 bps)</b>	<b>Debt Service Reserve Fund (gross funded)</b>	<b>Capit'd Interest Fund (thru 6/1/11, net funded)</b>	<b>Net Debt Service</b>	<b>Annual Net D/S</b>
09/01/2025	2,230,000	1,386,670	3,616,670	178,314.19	30,145.00	11,612	105,381.50		3,731,359.69	
03/01/2026		1,335,380	1,335,380	181,269.68	29,030.00		105,381.50		1,440,298.18	
06/30/2026										5,171,657.87
09/01/2026	2,355,000	1,335,380	3,690,380	171,081.51	29,030.00	11,141	105,381.50		3,796,251.01	
03/01/2027		1,281,215	1,281,215	173,917.11	27,852.50		105,381.50		1,377,603.11	
06/30/2027										5,173,854.12
09/01/2027	2,480,000	1,281,215	3,761,215	163,904.96	27,852.50	10,645	105,381.50		3,858,235.96	
03/01/2028		1,224,175	1,224,175	165,706.12	26,612.50		105,381.50		1,311,112.12	
06/30/2028										5,169,348.08
09/01/2028	2,620,000	1,224,175	3,844,175	155,418.36	26,612.50	10,121	105,381.50		3,930,945.36	
03/01/2029		1,163,915	1,163,915	157,994.35	25,302.50		105,381.50		1,241,830.35	
06/30/2029										5,172,775.71
09/01/2029	2,765,000	1,163,915	3,928,915	146,926.47	25,302.50	9,568	105,381.50		4,005,330.47	
03/01/2030		1,100,320	1,100,320	149,361.72	23,920.00		105,381.50		1,168,220.22	
06/30/2030										5,173,550.69
09/01/2030	2,915,000	1,100,320	4,015,320	137,973.91	23,920.00	8,985	105,381.50		4,080,817.41	
03/01/2031		1,033,275	1,033,275	140,260.77	22,462.50		105,381.50		1,090,616.77	
06/30/2031										5,171,434.18
09/01/2031	3,075,000	1,033,275	4,108,275	128,875.96	22,462.50	8,370	105,381.50		4,162,601.96	
03/01/2032		962,550	962,550	130,292.18	20,925.00		105,381.50		1,008,385.68	
06/30/2032										5,170,987.64
09/01/2032	3,245,000	962,550	4,207,550	118,563.89	20,925.00	7,721	105,381.50		4,249,378.39	
03/01/2033		887,915	887,915	120,529.04	19,302.50		105,381.50		922,365.04	
06/30/2033										5,171,743.43
09/01/2033	3,425,000	887,915	4,312,915	108,045.01	19,302.50	7,036	105,381.50		4,341,917.01	
03/01/2034		809,140	809,140	109,835.81	17,590.00		105,381.50		831,184.31	
06/30/2034										5,173,101.32
09/01/2034	3,610,000	809,140	4,419,140	96,957.96	17,590.00	6,314	105,381.50		4,434,620.46	
03/01/2035		726,110	726,110	98,565.00	15,785.00		105,381.50		735,078.50	
06/30/2035										5,169,698.96
09/01/2035	3,810,000	726,110	4,536,110	85,486.18	15,785.00	5,552	105,381.50		4,537,551.68	
03/01/2036		638,480	638,480	86,425.59	13,880.00		105,381.50		633,404.09	
06/30/2036										5,170,955.77
09/01/2036	4,020,000	638,480	4,658,480	72,910.42	13,880.00	4,748	105,381.50		4,644,636.92	
03/01/2037		546,020	546,020	74,118.88	11,870.00		105,381.50		526,627.38	
06/30/2037										5,171,264.30
09/01/2037	4,240,000	546,020	4,786,020	59,888.51	11,870.00	3,900	105,381.50		4,756,297.01	
03/01/2038		448,500	448,500	60,881.14	9,750.00		105,381.50		413,749.64	
06/30/2038										5,170,046.65
09/01/2038	4,475,000	448,500	4,923,500	46,144.86	9,750.00	3,005	105,381.50		4,877,018.36	
03/01/2039		345,575	345,575	46,909.70	7,512.50		105,381.50		294,615.70	
06/30/2039										5,171,634.06
09/01/2039	4,720,000	345,575	5,065,575	31,733.97	7,512.50	2,061	105,381.50		5,001,500.97	

## NET DEBT SERVICE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
03/01/2040		237,015	237,015	32,082.70	5,152.50		105,381.50		168,868.70	
06/30/2040										5,170,369.67
09/01/2040	10,305,000	237,015	10,542,015		5,152.50		5,374,456.50		5,172,711.00	
06/30/2041										5,172,711.00
	80,265,000	81,248,167	161,513,167	10,874,572.01	1,766,264.50	343,086	11,381,202.00	10,247,866.48	152,868,021.03	152,868,021.03

Notes:

[1] Interest earnings on the approximately \$5.3 million Restricted Surplus Fund (estimated at \$210,000/year) are not being shown to be conservative.

[2] Ongoing LOC fees assume 98 days @ 12% max rate (needs to be confirmed).

**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Period Ending	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service
06/30/2009		492,292	492,292	250,596.12	10,702.00			753,590.12	
06/30/2010		3,692,190	3,692,190	497,106.43	80,265.00	16,053		4,285,614.43	
06/30/2011		3,692,190	3,692,190	497,106.43	80,265.00	16,053		4,285,614.43	
06/30/2012		3,692,190	3,692,190	497,064.04	80,265.00	16,053	105,381.50	923,047.50	3,257,143.04
06/30/2013	885,000	3,671,835	4,556,835	491,625.35	79,822.50	15,876	210,763.00		4,933,395.85
06/30/2014	1,050,000	3,627,330	4,677,330	485,122.37	78,855.00	15,666	210,763.00		5,046,210.37
06/30/2015	1,235,000	3,574,775	4,809,775	477,473.62	77,712.50	15,419	210,763.00		5,169,617.12
06/30/2016	1,305,000	3,516,355	4,821,355	469,351.32	76,442.50	15,158	210,763.00		5,171,543.82
06/30/2017	1,375,000	3,454,715	4,829,715	460,875.54	75,102.50	14,883	210,763.00		5,169,813.04
06/30/2018	1,455,000	3,389,625	4,844,625	451,864.27	73,687.50	14,592	210,763.00		5,174,005.77
06/30/2019	1,530,000	3,320,970	4,850,970	442,388.49	72,195.00	14,286	210,763.00		5,169,076.49
06/30/2020	1,615,000	3,248,635	4,863,635	432,349.42	70,622.50	13,963	210,763.00		5,169,806.92
06/30/2021	1,705,000	3,172,275	4,877,275	421,826.69	68,962.50	13,622	210,763.00		5,170,923.19
06/30/2022	1,800,000	3,091,660	4,891,660	410,678.72	67,210.00	13,262	210,763.00		5,172,047.72
06/30/2023	1,900,000	3,006,560	4,906,560	398,911.42	65,360.00	12,882	210,763.00		5,172,950.42
06/30/2024	2,005,000	2,916,745	4,921,745	386,460.87	63,407.50	12,481	210,763.00		5,173,331.37
06/30/2025	2,115,000	2,821,985	4,936,985	373,394.96	61,347.50	12,058	210,763.00		5,173,022.46
06/30/2026	2,230,000	2,722,050	4,952,050	359,583.87	59,175.00	11,612	210,763.00		5,171,657.87
06/30/2027	2,355,000	2,616,595	4,971,595	344,998.62	56,882.50	11,141	210,763.00		5,173,854.12
06/30/2028	2,480,000	2,505,390	4,985,390	329,611.08	54,465.00	10,645	210,763.00		5,169,348.08
06/30/2029	2,620,000	2,388,090	5,008,090	313,412.71	51,915.00	10,121	210,763.00		5,172,775.71
06/30/2030	2,765,000	2,264,235	5,029,235	296,288.19	49,222.50	9,568	210,763.00		5,173,550.69
06/30/2031	2,915,000	2,133,595	5,048,595	278,234.68	46,382.50	8,985	210,763.00		5,171,434.18
06/30/2032	3,075,000	1,995,825	5,070,825	259,168.14	43,387.50	8,370	210,763.00		5,170,987.64
06/30/2033	3,245,000	1,850,465	5,095,465	239,092.93	40,227.50	7,721	210,763.00		5,171,743.43
06/30/2034	3,425,000	1,697,055	5,122,055	217,880.82	36,892.50	7,036	210,763.00		5,173,101.32
06/30/2035	3,610,000	1,535,250	5,145,250	195,522.96	33,375.00	6,314	210,763.00		5,169,698.96
06/30/2036	3,810,000	1,364,590	5,174,590	171,911.77	29,665.00	5,552	210,763.00		5,170,955.77
06/30/2037	4,020,000	1,184,500	5,204,500	147,029.30	25,750.00	4,748	210,763.00		5,171,264.30
06/30/2038	4,240,000	994,520	5,234,520	120,769.65	21,620.00	3,900	210,763.00		5,170,046.65
06/30/2039	4,475,000	794,075	5,269,075	93,054.56	17,262.50	3,005	210,763.00		5,171,634.06
06/30/2040	4,720,000	582,590	5,302,590	63,816.67	12,665.00	2,061	210,763.00		5,170,369.67
06/30/2041	10,305,000	237,015	10,542,015		5,152.50		5,374,456.50		5,172,711.00
	80,265,000	81,248,167	161,513,167	10,874,572.01	1,766,264.50	343,086	11,381,202.00	10,247,866.48	152,868,021.03

Notes:

- [1] Interest earnings on the approximately \$5.3 million Restricted Surplus Fund (estimated at \$210,000/year) are not being shown to be conservative.
- [2] Ongoing LOC fees assume 98 days @ 12% max rate (needs to be confirmed).

## BOND PRICING

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2040:					
	09/01/2012	885,000	4.600%	4.600%	100.000
	09/01/2013	1,050,000	4.600%	4.600%	100.000
	09/01/2014	1,235,000	4.600%	4.600%	100.000
	09/01/2015	1,305,000	4.600%	4.600%	100.000
	09/01/2016	1,375,000	4.600%	4.600%	100.000
	09/01/2017	1,455,000	4.600%	4.600%	100.000
	09/01/2018	1,530,000	4.600%	4.600%	100.000
	09/01/2019	1,615,000	4.600%	4.600%	100.000
	09/01/2020	1,705,000	4.600%	4.600%	100.000
	09/01/2021	1,800,000	4.600%	4.600%	100.000
	09/01/2022	1,900,000	4.600%	4.600%	100.000
	09/01/2023	2,005,000	4.600%	4.600%	100.000
	09/01/2024	2,115,000	4.600%	4.600%	100.000
	09/01/2025	2,230,000	4.600%	4.600%	100.000
	09/01/2026	2,355,000	4.600%	4.600%	100.000
	09/01/2027	2,480,000	4.600%	4.600%	100.000
	09/01/2028	2,620,000	4.600%	4.600%	100.000
	09/01/2029	2,765,000	4.600%	4.600%	100.000
	09/01/2030	2,915,000	4.600%	4.600%	100.000
	09/01/2031	3,075,000	4.600%	4.600%	100.000
	09/01/2032	3,245,000	4.600%	4.600%	100.000
	09/01/2033	3,425,000	4.600%	4.600%	100.000
	09/01/2034	3,610,000	4.600%	4.600%	100.000
	09/01/2035	3,810,000	4.600%	4.600%	100.000
	09/01/2036	4,020,000	4.600%	4.600%	100.000
	09/01/2037	4,240,000	4.600%	4.600%	100.000
	09/01/2038	4,475,000	4.600%	4.600%	100.000
	09/01/2039	4,720,000	4.600%	4.600%	100.000
	09/01/2040	10,305,000	4.600%	4.600%	100.000
		80,265,000			

Dated Date	01/13/2009	
Delivery Date	01/13/2009	
First Coupon	03/01/2009	
Par Amount	80,265,000.00	
Original Issue Discount		
Production	80,265,000.00	100.000000%
Underwriter's Discount	-401,325.00	-0.500000%
Purchase Price	79,863,675.00	99.500000%
Accrued Interest		
Net Proceeds	79,863,675.00	

## BOND SUMMARY STATISTICS

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Dated Date	01/13/2009
Delivery Date	01/13/2009
First Coupon	03/01/2009
Last Maturity	09/01/2040
Arbitrage Yield	5.229399%
True Interest Cost (TIC)	4.638497%
Net Interest Cost (NIC)	4.600000%
All-In TIC	5.433296%
Average Coupon	4.600000%
Average Life (years)	22.005
Duration of Issue (years)	13.441
Par Amount	80,265,000.00
Bond Proceeds	80,265,000.00
Total Interest	81,248,167.00
Net Interest	81,649,492.00
Bond Years from Dated Date	1,766,264,500.00
Bond Years from Delivery Date	1,766,264,500.00
Total Debt Service	161,513,167.00
Maximum Annual Debt Service	10,542,015.00
Average Annual Debt Service	5,105,790.32
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2040	80,265,000.00	100.000	4.600%	22.005	105,303.20
	80,265,000.00			22.005	105,303.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	80,265,000.00	80,265,000.00	80,265,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-401,325.00	-401,325.00	
- Cost of Issuance Expense		-415,000.00	
- Other Amounts			
Target Value	79,863,675.00	79,448,675.00	80,265,000.00
Target Date	01/13/2009	01/13/2009	01/13/2009
Yield	4.638497%	5.433296%	5.229399%



**PROJECT FUND**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

**Stadium Project Fund (gross funded)**

<b>Date</b>	<b>Deposit</b>	<b>Interest @ 4% [1]</b>	<b>Principal</b>	<b>Scheduled Draws</b>	<b>Balance</b>
01/13/2009	65,000,000		5,000,000.00	5,000,000.00	60,000,000.00
02/01/2009		120,000.00	3,157,894.68	3,157,894.68	56,842,105.32
03/01/2009		189,473.68	3,157,894.74	3,157,894.74	53,684,210.58
04/01/2009		178,947.37	3,157,894.74	3,157,894.74	50,526,315.84
05/01/2009		168,421.05	3,157,894.74	3,157,894.74	47,368,421.10
06/01/2009		157,894.74	3,157,894.74	3,157,894.74	44,210,526.36
07/01/2009		147,368.42	3,157,894.74	3,157,894.74	41,052,631.62
08/01/2009		136,842.11	3,157,894.74	3,157,894.74	37,894,736.88
09/01/2009		126,315.79	3,157,894.74	3,157,894.74	34,736,842.14
10/01/2009		115,789.47	3,157,894.74	3,157,894.74	31,578,947.40
11/01/2009		105,263.16	3,157,894.74	3,157,894.74	28,421,052.66
12/01/2009		94,736.84	3,157,894.74	3,157,894.74	25,263,157.92
01/01/2010		84,210.53	3,157,894.74	3,157,894.74	22,105,263.18
02/01/2010		73,684.21	3,157,894.74	3,157,894.74	18,947,368.44
03/01/2010		63,157.89	3,157,894.74	3,157,894.74	15,789,473.70
04/01/2010		52,631.58	3,157,894.74	3,157,894.74	12,631,578.96
05/01/2010		42,105.26	3,157,894.74	3,157,894.74	9,473,684.22
06/01/2010		31,578.95	3,157,894.74	3,157,894.74	6,315,789.48
07/01/2010		21,052.63	3,157,894.74	3,157,894.74	3,157,894.74
08/01/2010		10,526.32	3,157,894.74	3,157,894.74	
	65,000,000	1,920,000.00	65,000,000.00	65,000,000.00	

Average Life (years): 0.7385

Notes:  
 [1] Estimated Project Fund interest earnings of \$1,920,000 can be utilized to absorb any stadium project cost overruns or change orders. This is where the KUD GMP provides comfort.

**CAPITALIZED INTEREST FUND**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

**Capit'd Interest Fund (thru 6/1/11, net funded)**

<b>Date</b>	<b>Deposit</b>	<b>Interest @ 4%</b>	<b>Principal</b>	<b>Debt Service Reserve Fund (gross funded)</b>	<b>Scheduled Draws</b>	<b>Balance</b>
01/13/2009	9,175,328.54					9,175,328.54
03/01/2009		48,935.09	676,553.30	28,101.73	753,590.12	8,498,775.24
09/01/2009		169,975.50	1,873,433.81	105,381.50	2,148,790.81	6,625,341.43
03/01/2010		132,506.83	1,898,935.29	105,381.50	2,136,823.62	4,726,406.14
09/01/2010		94,528.12	1,948,881.19	105,381.50	2,148,790.81	2,777,524.95
03/01/2011		55,550.50	1,975,891.62	105,381.50	2,136,823.62	801,633.33
09/01/2011		16,032.67	801,633.33	105,381.50	923,047.50	
	9,175,328.54	517,528.71	9,175,328.54	555,009.23	10,247,866.48	

Average Life (years): 1.4101

## COST OF ISSUANCE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
Bond Counsel Fee & Expenses	1.50000	120,397.50
Disclosure Counsel	1.00000	80,265.00
Financial Advisor	1.00000	80,265.00
Trustee Counsel	0.09344	7,500.00
Trustee Acceptance Fee	0.06229	5,000.00
Trustee First Annual Fee	0.17442	14,000.00
Bank Counsel Fees & Expenses	0.43606	35,000.00
Official Statement Printing	0.12459	10,000.00
Rating Agency (Moody's)	0.62294	50,000.00
Miscellaneous	0.15664	12,572.50
	<hr/> <hr/>	
	5.17037	415,000.00
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**Notes:**

[1] These are estimated costs subject to both FAU's and the FA's input.

[2] Feasibility Consultants Fee was pre-paid; the University has the ability to reimburse itself for this cost.

## ESTIMATED DEBT SERVICE COVERAGE FROM GROSS REVENUES [1]

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Gross Revenues [1]	Unused Revenues	Debt Serv Coverage
06/30/2009		492,292	-492,292				
06/30/2010		3,692,190	-3,692,190				
06/30/2011		3,692,190	-3,692,190				
06/30/2012		3,692,190	-435,047	3,257,143	6,514,286	3,257,143	200.00000%
06/30/2013	885,000	4,556,835	376,561	4,933,396	9,866,792	4,933,396	200.00000%
06/30/2014	1,050,000	4,677,330	368,880	5,046,210	10,092,421	5,046,210	200.00000%
06/30/2015	1,235,000	4,809,775	359,842	5,169,617	10,339,234	5,169,617	200.00000%
06/30/2016	1,305,000	4,821,355	350,189	5,171,544	10,343,088	5,171,544	200.00000%
06/30/2017	1,375,000	4,829,715	340,098	5,169,813	10,339,626	5,169,813	200.00000%
06/30/2018	1,455,000	4,844,625	329,381	5,174,006	10,348,012	5,174,006	200.00000%
06/30/2019	1,530,000	4,850,970	318,106	5,169,076	10,338,153	5,169,076	200.00000%
06/30/2020	1,615,000	4,863,635	306,172	5,169,807	10,339,614	5,169,807	200.00000%
06/30/2021	1,705,000	4,877,275	293,648	5,170,923	10,341,846	5,170,923	200.00000%
06/30/2022	1,800,000	4,891,660	280,388	5,172,048	10,344,095	5,172,048	200.00000%
06/30/2023	1,900,000	4,906,560	266,390	5,172,950	10,345,901	5,172,950	200.00000%
06/30/2024	2,005,000	4,921,745	251,586	5,173,331	10,346,663	5,173,331	200.00000%
06/30/2025	2,115,000	4,936,985	236,037	5,173,022	10,346,045	5,173,022	200.00000%
06/30/2026	2,230,000	4,952,050	219,608	5,171,658	10,343,316	5,171,658	200.00000%
06/30/2027	2,355,000	4,971,595	202,259	5,173,854	10,347,708	5,173,854	200.00000%
06/30/2028	2,480,000	4,985,390	183,958	5,169,348	10,338,696	5,169,348	200.00000%
06/30/2029	2,620,000	5,008,090	164,686	5,172,776	10,345,551	5,172,776	200.00000%
06/30/2030	2,765,000	5,029,235	144,316	5,173,551	10,347,101	5,173,551	200.00000%
06/30/2031	2,915,000	5,048,595	122,839	5,171,434	10,342,868	5,171,434	200.00000%
06/30/2032	3,075,000	5,070,825	100,163	5,170,988	10,341,975	5,170,988	200.00000%
06/30/2033	3,245,000	5,095,465	76,278	5,171,743	10,343,487	5,171,743	200.00000%
06/30/2034	3,425,000	5,122,055	51,046	5,173,101	10,346,203	5,173,101	200.00000%
06/30/2035	3,610,000	5,145,250	24,449	5,169,699	10,339,398	5,169,699	200.00000%
06/30/2036	3,810,000	5,174,590	-3,634	5,170,956	10,341,912	5,170,956	200.00000%
06/30/2037	4,020,000	5,204,500	-33,236	5,171,264	10,342,529	5,171,264	200.00000%
06/30/2038	4,240,000	5,234,520	-64,473	5,170,047	10,340,093	5,170,047	200.00000%
06/30/2039	4,475,000	5,269,075	-97,441	5,171,634	10,343,268	5,171,634	200.00000%
06/30/2040	4,720,000	5,302,590	-132,220	5,170,370	10,340,739	5,170,370	200.00000%
06/30/2041	10,305,000	10,542,015	-5,369,304	5,172,711	10,345,422	5,172,711	200.00000%
	80,265,000	161,513,167	-8,645,146	152,868,021	305,736,042	152,868,021	

Note: [1] Gross Revenues are shown @ 2.0 times Annual Net Debt Service.

**ESTIMATED DEBT SERVICE COVERAGE FROM NET REVENUES [1]**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1B: 37,500 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Debt Service Adjustments</b>	<b>Total Adj Debt Service</b>	<b>Net Revenues [1]</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2009		492,292	-492,292				
06/30/2010		3,692,190	-3,692,190				
06/30/2011		3,692,190	-3,692,190				
06/30/2012		3,692,190	-435,047	3,257,143	4,885,715	1,628,572	150.00000%
06/30/2013	885,000	4,556,835	376,561	4,933,396	7,400,094	2,466,698	150.00000%
06/30/2014	1,050,000	4,677,330	368,880	5,046,210	7,569,316	2,523,105	150.00000%
06/30/2015	1,235,000	4,809,775	359,842	5,169,617	7,754,426	2,584,809	150.00000%
06/30/2016	1,305,000	4,821,355	350,189	5,171,544	7,757,316	2,585,772	150.00000%
06/30/2017	1,375,000	4,829,715	340,098	5,169,813	7,754,720	2,584,907	150.00000%
06/30/2018	1,455,000	4,844,625	329,381	5,174,006	7,761,009	2,587,003	150.00000%
06/30/2019	1,530,000	4,850,970	318,106	5,169,076	7,753,615	2,584,538	150.00000%
06/30/2020	1,615,000	4,863,635	306,172	5,169,807	7,754,710	2,584,903	150.00000%
06/30/2021	1,705,000	4,877,275	293,648	5,170,923	7,756,385	2,585,462	150.00000%
06/30/2022	1,800,000	4,891,660	280,388	5,172,048	7,758,072	2,586,024	150.00000%
06/30/2023	1,900,000	4,906,560	266,390	5,172,950	7,759,426	2,586,475	150.00000%
06/30/2024	2,005,000	4,921,745	251,586	5,173,331	7,759,997	2,586,666	150.00000%
06/30/2025	2,115,000	4,936,985	236,037	5,173,022	7,759,534	2,586,511	150.00000%
06/30/2026	2,230,000	4,952,050	219,608	5,171,658	7,757,487	2,585,829	150.00000%
06/30/2027	2,355,000	4,971,595	202,259	5,173,854	7,760,781	2,586,927	150.00000%
06/30/2028	2,480,000	4,985,390	183,958	5,169,348	7,754,022	2,584,674	150.00000%
06/30/2029	2,620,000	5,008,090	164,686	5,172,776	7,759,164	2,586,388	150.00000%
06/30/2030	2,765,000	5,029,235	144,316	5,173,551	7,760,326	2,586,775	150.00000%
06/30/2031	2,915,000	5,048,595	122,839	5,171,434	7,757,151	2,585,717	150.00000%
06/30/2032	3,075,000	5,070,825	100,163	5,170,988	7,756,481	2,585,494	150.00000%
06/30/2033	3,245,000	5,095,465	76,278	5,171,743	7,757,615	2,585,872	150.00000%
06/30/2034	3,425,000	5,122,055	51,046	5,173,101	7,759,652	2,586,551	150.00000%
06/30/2035	3,610,000	5,145,250	24,449	5,169,699	7,754,548	2,584,849	150.00000%
06/30/2036	3,810,000	5,174,590	-3,634	5,170,956	7,756,434	2,585,478	150.00000%
06/30/2037	4,020,000	5,204,500	-33,236	5,171,264	7,756,896	2,585,632	150.00000%
06/30/2038	4,240,000	5,234,520	-64,473	5,170,047	7,755,070	2,585,023	150.00000%
06/30/2039	4,475,000	5,269,075	-97,441	5,171,634	7,757,451	2,585,817	150.00000%
06/30/2040	4,720,000	5,302,590	-132,220	5,170,370	7,755,555	2,585,185	150.00000%
06/30/2041	10,305,000	10,542,015	-5,369,304	5,172,711	7,759,067	2,586,356	150.00000%
	80,265,000	161,513,167	-8,645,146	152,868,021	229,302,032	76,434,011	

Note: [1] Net Revenues are shown @ 1.5 times Annual Net Debt Service.

## SOURCES AND USES OF FUNDS

FLORIDA ATLANTIC UNIVERSITY, FLORIDA  
Stadium Project Revenue Bonds, Series 2009  
Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07  
Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support  
Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)  
(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)

Dated Date 01/13/2009  
Delivery Date 01/13/2009

### Sources:

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Bond Proceeds:	
Par Amount	88,885,000.00
Other Sources of Funds:	
Build-Up of Initial Years Excess Revenues (est.)	5,828,600.00
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	94,713,600.00

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### Uses:

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Project Fund Deposits:	
Stadium Project Fund (gross funded)	72,000,000.00
Restricted Surplus Fund	<u>5,828,600.00</u>
	77,828,600.00
Other Fund Deposits:	
Debt Service Reserve Fund (gross funded)	5,828,600.00
Capit'd Interest Fund (thru 6/1/11, net funded)	<u>10,161,334.59</u>
	15,989,934.59
Delivery Date Expenses:	
Cost of Issuance	450,000.00
Underwriter's Discount	<u>444,425.00</u>
	894,425.00
Other Uses of Funds:	
Contingency	640.41
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	94,713,600.00

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**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
03/01/2009		545,161.33	545,161.33	277,508.70	11,851.33			834,521.36		
09/01/2009		2,044,355.00	2,044,355.00	272,984.11	44,442.50	17,777		2,379,558.61		
03/01/2010		2,044,355.00	2,044,355.00	277,508.70	44,442.50			2,366,306.20		
09/01/2010		2,044,355.00	2,044,355.00	272,984.11	44,442.50	17,777		2,379,558.61		
03/01/2011		2,044,355.00	2,044,355.00	277,508.70	44,442.50			2,366,306.20		
09/01/2011		2,044,355.00	2,044,355.00	273,718.98	44,442.50	17,777		1,022,177.50	1,358,115.98	
03/01/2012		2,044,355.00	2,044,355.00	276,726.88	44,442.50		116,572		2,248,952.38	
06/30/2012										3,607,068.36
09/01/2012	1,000,000	2,044,355.00	3,044,355.00	269,912.90	44,442.50	17,577	116,572		3,259,715.40	
03/01/2013		2,021,355.00	2,021,355.00	274,386.59	43,942.50		116,572		2,223,112.09	
06/30/2013										5,482,827.49
09/01/2013	1,195,000	2,021,355.00	3,216,355.00	266,242.81	43,942.50	17,338	116,572		3,427,306.31	
03/01/2014		1,993,870.00	1,993,870.00	270,655.67	43,345.00		116,572		2,191,298.67	
06/30/2014										5,618,604.98
09/01/2014	1,370,000	1,993,870.00	3,363,870.00	262,035.26	43,345.00	17,064	116,572		3,569,742.26	
03/01/2015		1,962,360.00	1,962,360.00	266,378.38	42,660.00		116,572		2,154,826.38	
06/30/2015										5,724,568.64
09/01/2015	1,445,000	1,962,360.00	3,407,360.00	258,290.82	42,660.00	16,775	116,572		3,608,513.82	
03/01/2016		1,929,125.00	1,929,125.00	261,129.18	41,937.50		116,572		2,115,619.68	
06/30/2016										5,724,133.50
09/01/2016	1,525,000	1,929,125.00	3,454,125.00	252,913.78	41,937.50	16,470	116,572		3,648,874.28	
03/01/2017		1,894,050.00	1,894,050.00	257,105.72	41,175.00		116,572		2,075,758.72	
06/30/2017										5,724,633.00
09/01/2017	1,610,000	1,894,050.00	3,504,050.00	247,969.14	41,175.00	16,148	116,572		3,692,770.14	
03/01/2018		1,857,020.00	1,857,020.00	252,079.12	40,370.00		116,572		2,032,897.12	
06/30/2018										5,725,667.26
09/01/2018	1,695,000	1,857,020.00	3,552,020.00	242,763.44	40,370.00	15,809	116,572		3,734,390.44	
03/01/2019		1,818,035.00	1,818,035.00	246,787.15	39,522.50		116,572		1,987,772.65	
06/30/2019										5,722,163.09
09/01/2019	1,790,000	1,818,035.00	3,608,035.00	237,904.71	39,522.50	15,451	116,572		3,784,341.21	
03/01/2020		1,776,865.00	1,776,865.00	240,519.04	38,627.50		116,572		1,939,439.54	
06/30/2020										5,723,780.75
09/01/2020	1,890,000	1,776,865.00	3,666,865.00	231,461.41	38,627.50	15,073	116,572		3,835,454.91	
03/01/2021		1,733,395.00	1,733,395.00	235,297.78	37,682.50		116,572		1,889,803.28	
06/30/2021										5,725,258.19
09/01/2021	1,990,000	1,733,395.00	3,723,395.00	225,349.71	37,682.50	14,675	116,572		3,884,530.21	
03/01/2022		1,687,625.00	1,687,625.00	229,084.79	36,687.50		116,572		1,836,825.29	
06/30/2022										5,721,355.50
09/01/2022	2,100,000	1,687,625.00	3,787,625.00	218,900.18	36,687.50	14,255	116,572		3,940,895.68	
03/01/2023		1,639,325.00	1,639,325.00	222,528.36	35,637.50		116,572		1,780,918.86	
06/30/2023										5,721,814.54
09/01/2023	2,215,000	1,639,325.00	3,854,325.00	212,668.42	35,637.50	13,812	116,572		3,999,870.92	
03/01/2024		1,588,380.00	1,588,380.00	215,005.44	34,530.00		116,572		1,721,343.44	
06/30/2024										5,721,214.36
09/01/2024	2,340,000	1,588,380.00	3,928,380.00	204,910.83	34,530.00	13,344	116,572		4,064,592.83	
03/01/2025		1,534,560.00	1,534,560.00	208,307.15	33,360.00		116,572		1,659,655.15	
06/30/2025										5,724,247.98

**NET DEBT SERVICE**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
09/01/2025	2,470,000	1,534,560.00	4,004,560.00	197,324.96	33,360.00	12,850	116,572	4,131,522.96		
03/01/2026		1,477,750.00	1,477,750.00	200,595.54	32,125.00		116,572	1,593,898.54		
06/30/2026										5,725,421.50
09/01/2026	2,605,000	1,477,750.00	4,082,750.00	189,324.47	32,125.00	12,329	116,572	4,199,956.47		
03/01/2027		1,417,835.00	1,417,835.00	192,462.44	30,822.50		116,572	1,524,547.94		
06/30/2027										5,724,504.41
09/01/2027	2,745,000	1,417,835.00	4,162,835.00	181,380.98	30,822.50	11,780	116,572	4,270,246.48		
03/01/2028		1,354,700.00	1,354,700.00	183,374.17	29,450.00		116,572	1,450,952.17		
06/30/2028										5,721,198.65
09/01/2028	2,900,000	1,354,700.00	4,254,700.00	171,987.51	29,450.00	11,200	116,572	4,350,765.51		
03/01/2029		1,288,000.00	1,288,000.00	174,838.13	28,000.00		116,572	1,374,266.13		
06/30/2029										5,725,031.64
09/01/2029	3,060,000	1,288,000.00	4,348,000.00	162,589.62	28,000.00	10,588	116,572	4,432,605.62		
03/01/2030		1,217,620.00	1,217,620.00	165,284.48	26,470.00		116,572	1,292,802.48		
06/30/2030										5,725,408.10
09/01/2030	3,225,000	1,217,620.00	4,442,620.00	152,684.98	26,470.00	9,943	116,572	4,515,145.98		
03/01/2031		1,143,445.00	1,143,445.00	155,215.67	24,857.50		116,572	1,206,946.17		
06/30/2031										5,722,092.15
09/01/2031	3,405,000	1,143,445.00	4,548,445.00	142,610.41	24,857.50	9,262	116,572	4,608,602.91		
03/01/2032		1,065,130.00	1,065,130.00	144,177.55	23,155.00		116,572	1,115,890.55		
06/30/2032										5,724,493.46
09/01/2032	3,590,000	1,065,130.00	4,655,130.00	131,201.90	23,155.00	8,544	116,572	4,701,458.90		
03/01/2033		982,560.00	982,560.00	133,376.52	21,360.00		116,572	1,020,724.52		
06/30/2033										5,722,183.42
09/01/2033	3,790,000	982,560.00	4,772,560.00	119,562.03	21,360.00	7,786	116,572	4,804,696.03		
03/01/2034		895,390.00	895,390.00	121,543.72	19,465.00		116,572	919,826.72		
06/30/2034										5,724,522.75
09/01/2034	3,995,000	895,390.00	4,890,390.00	107,292.57	19,465.00	6,987	116,572	4,907,562.57		
03/01/2035		803,505.00	803,505.00	109,070.90	17,467.50		116,572	813,471.40		
06/30/2035										5,721,033.97
09/01/2035	4,215,000	803,505.00	5,018,505.00	94,601.42	17,467.50	6,144	116,572	5,020,145.92		
03/01/2036		706,560.00	706,560.00	95,640.99	15,360.00		116,572	700,988.99		
06/30/2036										5,721,134.91
09/01/2036	4,450,000	706,560.00	5,156,560.00	80,680.57	15,360.00	5,254	116,572	5,141,282.57		
03/01/2037		604,210.00	604,210.00	82,017.82	13,135.00		116,572	582,790.82		
06/30/2037										5,724,073.39
09/01/2037	4,695,000	604,210.00	5,299,210.00	66,261.26	13,135.00	4,315	116,572	5,266,349.26		
03/01/2038		496,225.00	496,225.00	67,359.51	10,787.50		116,572	457,800.01		
06/30/2038										5,724,149.27
09/01/2038	4,950,000	496,225.00	5,446,225.00	51,058.79	10,787.50	3,325	116,572	5,394,824.29		
03/01/2039		382,375.00	382,375.00	51,905.07	8,312.50		116,572	326,020.57		
06/30/2039										5,720,844.86
09/01/2039	5,225,000	382,375.00	5,607,375.00	35,106.00	8,312.50	2,280	116,572	5,536,501.50		



## NET DEBT SERVICE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Date	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service	Annual Net D/S
03/01/2040		262,200.00	262,200.00	35,491.78	5,700.00		116,572		186,819.78	
06/30/2040										5,723,321.28
09/01/2040	11,400,000	262,200.00	11,662,200.00		5,700.00		5,945,172		5,722,728.00	
06/30/2041										5,722,728.00
	88,885,000	89,922,586.33	178,807,586.33	12,035,549.72	1,954,838.83	379,709	12,589,776	11,348,428.48	169,239,479.40	169,239,479.40

Notes:

[1] Interest earnings on the approximately \$5.9 million Restricted Surplus Fund (estimated at \$235,000/year) are not being shown to be conservative.

[2] Ongoing LOC fees assume 98 days @ 12% max rate (needs to be confirmed).

## NET DEBT SERVICE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Period Ending	Principal	Interest	Total Debt Service	LOC Fee (est'd @ 60 bps) [2]	Remarketing Fee (est'd @ 10 bps)	Trustee Fee (est'd @ 2 bps)	Debt Service Reserve Fund (gross funded)	Capit'd Interest Fund (thru 6/1/11, net funded)	Net Debt Service
06/30/2009		545,161.33	545,161.33	277,508.70	11,851.33			834,521.36	
06/30/2010		4,088,710.00	4,088,710.00	550,492.81	88,885.00	17,777		4,745,864.81	
06/30/2011		4,088,710.00	4,088,710.00	550,492.81	88,885.00	17,777		4,745,864.81	
06/30/2012		4,088,710.00	4,088,710.00	550,445.86	88,885.00	17,777	116,572	1,022,177.50	3,607,068.36
06/30/2013	1,000,000	4,065,710.00	5,065,710.00	544,299.49	88,385.00	17,577	233,144		5,482,827.49
06/30/2014	1,195,000	4,015,225.00	5,210,225.00	536,898.48	87,287.50	17,338	233,144		5,618,604.98
06/30/2015	1,370,000	3,956,230.00	5,326,230.00	528,413.64	86,005.00	17,064	233,144		5,724,568.64
06/30/2016	1,445,000	3,891,485.00	5,336,485.00	519,420.00	84,597.50	16,775	233,144		5,724,133.50
06/30/2017	1,525,000	3,823,175.00	5,348,175.00	510,019.50	83,112.50	16,470	233,144		5,724,633.00
06/30/2018	1,610,000	3,751,070.00	5,361,070.00	500,048.26	81,545.00	16,148	233,144		5,725,667.26
06/30/2019	1,695,000	3,675,055.00	5,370,055.00	489,550.59	79,892.50	15,809	233,144		5,722,163.09
06/30/2020	1,790,000	3,594,900.00	5,384,900.00	478,423.75	78,150.00	15,451	233,144		5,723,780.75
06/30/2021	1,890,000	3,510,260.00	5,400,260.00	466,759.19	76,310.00	15,073	233,144		5,725,258.19
06/30/2022	1,990,000	3,421,020.00	5,411,020.00	454,434.50	74,370.00	14,675	233,144		5,721,355.50
06/30/2023	2,100,000	3,326,950.00	5,426,950.00	441,428.54	72,325.00	14,255	233,144		5,721,814.54
06/30/2024	2,215,000	3,227,705.00	5,442,705.00	427,673.86	70,167.50	13,812	233,144		5,721,214.36
06/30/2025	2,340,000	3,122,940.00	5,462,940.00	413,217.98	67,890.00	13,344	233,144		5,724,247.98
06/30/2026	2,470,000	3,012,310.00	5,482,310.00	397,920.50	65,485.00	12,850	233,144		5,725,421.50
06/30/2027	2,605,000	2,895,585.00	5,500,585.00	381,786.91	62,947.50	12,329	233,144		5,724,504.41
06/30/2028	2,745,000	2,772,535.00	5,517,535.00	364,755.15	60,272.50	11,780	233,144		5,721,198.65
06/30/2029	2,900,000	2,642,700.00	5,542,700.00	346,825.64	57,450.00	11,200	233,144		5,725,031.64
06/30/2030	3,060,000	2,505,620.00	5,565,620.00	327,874.10	54,470.00	10,588	233,144		5,725,408.10
06/30/2031	3,225,000	2,361,065.00	5,586,065.00	307,900.65	51,327.50	9,943	233,144		5,722,092.15
06/30/2032	3,405,000	2,208,575.00	5,613,575.00	286,787.96	48,012.50	9,262	233,144		5,724,493.46
06/30/2033	3,590,000	2,047,690.00	5,637,690.00	264,578.42	44,515.00	8,544	233,144		5,722,183.42
06/30/2034	3,790,000	1,877,950.00	5,667,950.00	241,105.75	40,825.00	7,786	233,144		5,724,522.75
06/30/2035	3,995,000	1,698,895.00	5,693,895.00	216,363.47	36,932.50	6,987	233,144		5,721,033.97
06/30/2036	4,215,000	1,510,065.00	5,725,065.00	190,242.41	32,827.50	6,144	233,144		5,721,134.91
06/30/2037	4,450,000	1,310,770.00	5,760,770.00	162,698.39	28,495.00	5,254	233,144		5,724,073.39
06/30/2038	4,695,000	1,100,435.00	5,795,435.00	133,620.77	23,922.50	4,315	233,144		5,724,149.27
06/30/2039	4,950,000	878,600.00	5,828,600.00	102,963.86	19,100.00	3,325	233,144		5,720,844.86
06/30/2040	5,225,000	644,575.00	5,869,575.00	70,597.78	14,012.50	2,280	233,144		5,723,321.28
06/30/2041	11,400,000	262,200.00	11,662,200.00		5,700.00		5,945,172		5,722,728.00
	88,885,000	89,922,586.33	178,807,586.33	12,035,549.72	1,954,838.83	379,709	12,589,776	11,348,428.48	169,239,479.40

Notes:

- [1] Interest earnings on the approximately \$5.9 million Restricted Surplus Fund (estimated at \$235,000/year) are not being shown to be conservative.
- [2] Ongoing LOC fees assume 98 days @ 12% max rate (needs to be confirmed).

## BOND PRICING

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2040:					
	09/01/2012	1,000,000	4.600%	4.600%	100.000
	09/01/2013	1,195,000	4.600%	4.600%	100.000
	09/01/2014	1,370,000	4.600%	4.600%	100.000
	09/01/2015	1,445,000	4.600%	4.600%	100.000
	09/01/2016	1,525,000	4.600%	4.600%	100.000
	09/01/2017	1,610,000	4.600%	4.600%	100.000
	09/01/2018	1,695,000	4.600%	4.600%	100.000
	09/01/2019	1,790,000	4.600%	4.600%	100.000
	09/01/2020	1,890,000	4.600%	4.600%	100.000
	09/01/2021	1,990,000	4.600%	4.600%	100.000
	09/01/2022	2,100,000	4.600%	4.600%	100.000
	09/01/2023	2,215,000	4.600%	4.600%	100.000
	09/01/2024	2,340,000	4.600%	4.600%	100.000
	09/01/2025	2,470,000	4.600%	4.600%	100.000
	09/01/2026	2,605,000	4.600%	4.600%	100.000
	09/01/2027	2,745,000	4.600%	4.600%	100.000
	09/01/2028	2,900,000	4.600%	4.600%	100.000
	09/01/2029	3,060,000	4.600%	4.600%	100.000
	09/01/2030	3,225,000	4.600%	4.600%	100.000
	09/01/2031	3,405,000	4.600%	4.600%	100.000
	09/01/2032	3,590,000	4.600%	4.600%	100.000
	09/01/2033	3,790,000	4.600%	4.600%	100.000
	09/01/2034	3,995,000	4.600%	4.600%	100.000
	09/01/2035	4,215,000	4.600%	4.600%	100.000
	09/01/2036	4,450,000	4.600%	4.600%	100.000
	09/01/2037	4,695,000	4.600%	4.600%	100.000
	09/01/2038	4,950,000	4.600%	4.600%	100.000
	09/01/2039	5,225,000	4.600%	4.600%	100.000
	09/01/2040	11,400,000	4.600%	4.600%	100.000
		88,885,000			

Dated Date	01/13/2009	
Delivery Date	01/13/2009	
First Coupon	03/01/2009	
Par Amount	88,885,000.00	
Original Issue Discount		
Production	88,885,000.00	100.000000%
Underwriter's Discount	-444,425.00	-0.500000%
Purchase Price	88,440,575.00	
Accrued Interest	99.500000%	
Net Proceeds	88,440,575.00	

## BOND SUMMARY STATISTICS

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Dated Date	01/13/2009
Delivery Date	01/13/2009
First Coupon	03/01/2009
Last Maturity	09/01/2040
Arbitrage Yield	5.229397%
True Interest Cost (TIC)	4.638516%
Net Interest Cost (NIC)	4.600000%
All-In TIC	5.432438%
Average Coupon	4.600000%
Average Life (years)	21.993
Duration of Issue (years)	13.435
Par Amount	88,885,000.00
Bond Proceeds	88,885,000.00
Total Interest	89,922,586.33
Net Interest	90,367,011.33
Bond Years from Dated Date	1,954,838,833.33
Bond Years from Delivery Date	1,954,838,833.33
Total Debt Service	178,807,586.33
Maximum Annual Debt Service	11,662,200.00
Average Annual Debt Service	5,652,505.36
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2040	88,885,000.00	100.000	4.600%	21.993	116,554.60
	88,885,000.00			21.993	116,554.60

	TIC	All-In TIC	Arbitrage Yield
Par Value	88,885,000.00	88,885,000.00	88,885,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-444,425.00	-444,425.00	
- Cost of Issuance Expense		-450,000.00	
- Other Amounts			
Target Value	88,440,575.00	87,990,575.00	88,885,000.00
Target Date	01/13/2009	01/13/2009	01/13/2009
Yield	4.638516%	5.432438%	5.229397%

**PROJECT FUND**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

**Stadium Project Fund (gross funded)**

<b>Date</b>	<b>Deposit</b>	<b>Interest @ 4% [1]</b>	<b>Principal</b>	<b>Scheduled Draws</b>	<b>Balance</b>
01/13/2009	72,000,000		5,000,000.00	5,000,000.00	67,000,000.00
02/01/2009		134,000.00	3,526,315.78	3,526,315.78	63,473,684.22
03/01/2009		211,578.95	3,526,315.79	3,526,315.79	59,947,368.43
04/01/2009		199,824.56	3,526,315.79	3,526,315.79	56,421,052.64
05/01/2009		188,070.18	3,526,315.79	3,526,315.79	52,894,736.85
06/01/2009		176,315.79	3,526,315.79	3,526,315.79	49,368,421.06
07/01/2009		164,561.40	3,526,315.79	3,526,315.79	45,842,105.27
08/01/2009		152,807.02	3,526,315.79	3,526,315.79	42,315,789.48
09/01/2009		141,052.63	3,526,315.79	3,526,315.79	38,789,473.69
10/01/2009		129,298.25	3,526,315.79	3,526,315.79	35,263,157.90
11/01/2009		117,543.86	3,526,315.79	3,526,315.79	31,736,842.11
12/01/2009		105,789.47	3,526,315.79	3,526,315.79	28,210,526.32
01/01/2010		94,035.09	3,526,315.79	3,526,315.79	24,684,210.53
02/01/2010		82,280.70	3,526,315.79	3,526,315.79	21,157,894.74
03/01/2010		70,526.32	3,526,315.79	3,526,315.79	17,631,578.95
04/01/2010		58,771.93	3,526,315.79	3,526,315.79	14,105,263.16
05/01/2010		47,017.54	3,526,315.79	3,526,315.79	10,578,947.37
06/01/2010		35,263.16	3,526,315.79	3,526,315.79	7,052,631.58
07/01/2010		23,508.77	3,526,315.79	3,526,315.79	3,526,315.79
08/01/2010		11,754.39	3,526,315.79	3,526,315.79	
	72,000,000	2,144,000.01	72,000,000.00	72,000,000.00	

Average Life (years): 0.7444

Notes:  
 [1] Estimated Project Fund interest earnings of \$2,144,000 can be utilized to absorb any stadium project cost overruns or change orders. This is where the KUD GMP provides comfort.

**CAPITALIZED INTEREST FUND**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

**Capit'd Interest Fund (thru 6/1/11, net funded)**

<b>Date</b>	<b>Deposit</b>	<b>Interest @ 4%</b>	<b>Principal</b>	<b>Debt Service Reserve Fund (gross funded)</b>	<b>Scheduled Draws</b>	<b>Balance</b>
01/13/2009	10,161,334.59					10,161,334.59
03/01/2009		54,193.78	749,241.71	31,085.87	834,521.36	9,412,092.88
09/01/2009		188,241.86	2,074,744.75	116,572.00	2,379,558.61	7,337,348.13
03/01/2010		146,746.96	2,102,987.24	116,572.00	2,366,306.20	5,234,360.89
09/01/2010		104,687.22	2,158,299.39	116,572.00	2,379,558.61	3,076,061.50
03/01/2011		61,521.23	2,188,212.97	116,572.00	2,366,306.20	887,848.53
09/01/2011		17,756.97	887,848.53	116,572.00	1,022,177.50	
	10,161,334.59	573,148.02	10,161,334.59	613,945.87	11,348,428.48	

Average Life (years): 1.4101

## COST OF ISSUANCE

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
Bond Counsel Fee & Expenses	1.50000	133,327.50
Disclosure Counsel	1.00000	88,885.00
Financial Advisor	1.00000	88,885.00
Trustee Counsel	0.08438	7,500.00
Trustee Acceptance Fee	0.05625	5,000.00
Trustee First Annual Fee	0.15751	14,000.00
Bank Counsel Fees & Expenses	0.39377	35,000.00
Official Statement Printing	0.11250	10,000.00
Rating Agency (Moody's)	0.56252	50,000.00
Miscellaneous	0.19579	17,402.50
	<hr/> <hr/>	
	5.06272	450,000.00
	<hr/> <hr/>	

**Notes:**

[1] These are estimated costs subject to both FAU's and the FA's input.

[2] Feasibility Consultants Fee was pre-paid; the University has the ability to reimburse itself for this cost.

## ESTIMATED DEBT SERVICE COVERAGE FROM GROSS REVENUES [1]

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Gross Revenues [1]	Unused Revenues	Debt Serv Coverage
06/30/2009		545,161	-545,161				
06/30/2010		4,088,710	-4,088,710				
06/30/2011		4,088,710	-4,088,710				
06/30/2012		4,088,710	-481,642	3,607,068	7,214,137	3,607,068	200.00000%
06/30/2013	1,000,000	5,065,710	417,117	5,482,827	10,965,655	5,482,827	200.00000%
06/30/2014	1,195,000	5,210,225	408,380	5,618,605	11,237,210	5,618,605	200.00000%
06/30/2015	1,370,000	5,326,230	398,339	5,724,569	11,449,137	5,724,569	200.00000%
06/30/2016	1,445,000	5,336,485	387,649	5,724,134	11,448,267	5,724,134	200.00000%
06/30/2017	1,525,000	5,348,175	376,458	5,724,633	11,449,266	5,724,633	200.00000%
06/30/2018	1,610,000	5,361,070	364,597	5,725,667	11,451,335	5,725,667	200.00000%
06/30/2019	1,695,000	5,370,055	352,108	5,722,163	11,444,326	5,722,163	200.00000%
06/30/2020	1,790,000	5,384,900	338,881	5,723,781	11,447,562	5,723,781	200.00000%
06/30/2021	1,890,000	5,400,260	324,998	5,725,258	11,450,516	5,725,258	200.00000%
06/30/2022	1,990,000	5,411,020	310,336	5,721,356	11,442,711	5,721,356	200.00000%
06/30/2023	2,100,000	5,426,950	294,865	5,721,815	11,443,629	5,721,815	200.00000%
06/30/2024	2,215,000	5,442,705	278,509	5,721,214	11,442,429	5,721,214	200.00000%
06/30/2025	2,340,000	5,462,940	261,308	5,724,248	11,448,496	5,724,248	200.00000%
06/30/2026	2,470,000	5,482,310	243,112	5,725,422	11,450,843	5,725,422	200.00000%
06/30/2027	2,605,000	5,500,585	223,919	5,724,504	11,449,009	5,724,504	200.00000%
06/30/2028	2,745,000	5,517,535	203,664	5,721,199	11,442,397	5,721,199	200.00000%
06/30/2029	2,900,000	5,542,700	182,332	5,725,032	11,450,063	5,725,032	200.00000%
06/30/2030	3,060,000	5,565,620	159,788	5,725,408	11,450,816	5,725,408	200.00000%
06/30/2031	3,225,000	5,586,065	136,027	5,722,092	11,444,184	5,722,092	200.00000%
06/30/2032	3,405,000	5,613,575	110,918	5,724,493	11,448,987	5,724,493	200.00000%
06/30/2033	3,590,000	5,637,690	84,493	5,722,183	11,444,367	5,722,183	200.00000%
06/30/2034	3,790,000	5,667,950	56,573	5,724,523	11,449,046	5,724,523	200.00000%
06/30/2035	3,995,000	5,693,895	27,139	5,721,034	11,442,068	5,721,034	200.00000%
06/30/2036	4,215,000	5,725,065	-3,930	5,721,135	11,442,270	5,721,135	200.00000%
06/30/2037	4,450,000	5,760,770	-36,697	5,724,073	11,448,147	5,724,073	200.00000%
06/30/2038	4,695,000	5,795,435	-71,286	5,724,149	11,448,299	5,724,149	200.00000%
06/30/2039	4,950,000	5,828,600	-107,755	5,720,845	11,441,690	5,720,845	200.00000%
06/30/2040	5,225,000	5,869,575	-146,254	5,723,321	11,446,643	5,723,321	200.00000%
06/30/2041	11,400,000	11,662,200	-5,939,472	5,722,728	11,445,456	5,722,728	200.00000%
	88,885,000	178,807,586	-9,568,107	169,239,479	338,478,959	169,239,479	

Note: [1] Gross Revenues are shown @ 2.0 times Annual Net Debt Service.



**ESTIMATED DEBT SERVICE COVERAGE FROM NET REVENUES [1]**

**FLORIDA ATLANTIC UNIVERSITY, FLORIDA**  
**Stadium Project Revenue Bonds, Series 2009**  
**Indicative T-E Rates (swapped to maturity) + 50 bps as of 9/4/07**  
**Assumes LOC Agreement, FAU DSO Structure, Limited FAU Support**  
**Scenario 1C: 45,000 Seat Open Air Stadium (assumes 5-year LOC)**  
**(Revised: Cap Int. thru 6/2011, F/P 9/2012, 2040 Final Maturity)**

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Debt Service Adjustments</b>	<b>Total Adj Debt Service</b>	<b>Net Revenues [1]</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2009		545,161	-545,161				
06/30/2010		4,088,710	-4,088,710				
06/30/2011		4,088,710	-4,088,710				
06/30/2012		4,088,710	-481,642	3,607,068	5,410,603	1,803,534	150.00000%
06/30/2013	1,000,000	5,065,710	417,117	5,482,827	8,224,241	2,741,414	150.00000%
06/30/2014	1,195,000	5,210,225	408,380	5,618,605	8,427,907	2,809,302	150.00000%
06/30/2015	1,370,000	5,326,230	398,339	5,724,569	8,586,853	2,862,284	150.00000%
06/30/2016	1,445,000	5,336,485	387,649	5,724,134	8,586,200	2,862,067	150.00000%
06/30/2017	1,525,000	5,348,175	376,458	5,724,633	8,586,950	2,862,317	150.00000%
06/30/2018	1,610,000	5,361,070	364,597	5,725,667	8,588,501	2,862,834	150.00000%
06/30/2019	1,695,000	5,370,055	352,108	5,722,163	8,583,245	2,861,082	150.00000%
06/30/2020	1,790,000	5,384,900	338,881	5,723,781	8,585,671	2,861,890	150.00000%
06/30/2021	1,890,000	5,400,260	324,998	5,725,258	8,587,887	2,862,629	150.00000%
06/30/2022	1,990,000	5,411,020	310,336	5,721,356	8,582,033	2,860,678	150.00000%
06/30/2023	2,100,000	5,426,950	294,865	5,721,815	8,582,722	2,860,907	150.00000%
06/30/2024	2,215,000	5,442,705	278,509	5,721,214	8,581,822	2,860,607	150.00000%
06/30/2025	2,340,000	5,462,940	261,308	5,724,248	8,586,372	2,862,124	150.00000%
06/30/2026	2,470,000	5,482,310	243,112	5,725,422	8,588,132	2,862,711	150.00000%
06/30/2027	2,605,000	5,500,585	223,919	5,724,504	8,586,757	2,862,252	150.00000%
06/30/2028	2,745,000	5,517,535	203,664	5,721,199	8,581,798	2,860,599	150.00000%
06/30/2029	2,900,000	5,542,700	182,332	5,725,032	8,587,547	2,862,516	150.00000%
06/30/2030	3,060,000	5,565,620	159,788	5,725,408	8,588,112	2,862,704	150.00000%
06/30/2031	3,225,000	5,586,065	136,027	5,722,092	8,583,138	2,861,046	150.00000%
06/30/2032	3,405,000	5,613,575	110,918	5,724,493	8,586,740	2,862,247	150.00000%
06/30/2033	3,590,000	5,637,690	84,493	5,722,183	8,583,275	2,861,092	150.00000%
06/30/2034	3,790,000	5,667,950	56,573	5,724,523	8,586,784	2,862,261	150.00000%
06/30/2035	3,995,000	5,693,895	27,139	5,721,034	8,581,551	2,860,517	150.00000%
06/30/2036	4,215,000	5,725,065	-3,930	5,721,135	8,581,702	2,860,567	150.00000%
06/30/2037	4,450,000	5,760,770	-36,697	5,724,073	8,586,110	2,862,037	150.00000%
06/30/2038	4,695,000	5,795,435	-71,286	5,724,149	8,586,224	2,862,075	150.00000%
06/30/2039	4,950,000	5,828,600	-107,755	5,720,845	8,581,267	2,860,422	150.00000%
06/30/2040	5,225,000	5,869,575	-146,254	5,723,321	8,584,982	2,861,661	150.00000%
06/30/2041	11,400,000	11,662,200	-5,939,472	5,722,728	8,584,092	2,861,364	150.00000%
	88,885,000	178,807,586	-9,568,107	169,239,479	253,859,219	84,619,740	

Note: [1] Net Revenues are shown @ 1.5 times Annual Net Debt Service.

## **APPENDIX B**

### **INNOVATION VILLAGE: RETAIL**

While a full analysis of the potential of the retail component of Innovation Village is no longer an integral part of our reports on new housing or the new stadium at this point, some discussion of this element as a “sidebar” factor is warranted. Therefore, based upon the interviews we conducted and some basic research into the local retail rental rates we have undertaken, Johnson Consulting provides the following basic analysis of including retail space in the Innovation Village plan.

FAU’s Boca Raton campus currently has limited retail offerings, which are located predominantly within the Student Union. These offerings include:

- Book Store (operated by Barnes and Noble)
- FAU Apparel Shop
- Toshiba Copy Center
- Bank Atlantic Branch
- Pitney Bowes Pack & Post
- Travel Agency
- Cell Phone Kiosk
- Various Food Services (including Starbucks, Einstein Bagel, Quiznos, Mama Leones, and the “Hub”) – All operated by Chartwell’s under exclusive food services agreement with the University

With the possible addition of over 1,500 on campus residents under the proposed housing component of the Innovation Village plan as well as considerably more potential retail use associated with the addition of the football stadium and other new projects on the campus, the need for additional on campus retail will significantly increase beyond the current offerings. Accordingly, the Innovation Village plan calls for up to 130,000 square feet of new retail space.

A recent informal survey of students conducted by FAU staff indicated a need for additional retail options such as:

- Dry Cleaner/Laundry
- Convenience Store
- Video Rental
- Tanning Salon
- Hair and Nail Salon

- Computer/Electronics Store
- Optician
- Full Service Drug Store (e.g. CVS, Walgreen's, which would in all likelihood replace FAU's health center pharmacy)

Students also expressed the desire for some recreational/entertainment retail, such as, a bowling alley and/or a small movie theatre with a café.

However, it should be noted that certain types of retail uses would not be deemed appropriate for any new on campus retail. Retailers traditionally known as either destination and/or "big box" retailers have been identified as inappropriate for an on campus retail center by University staff. Some examples of these types of retailers include Circuit City, Best Buy, Linen & Things, Office Depot, Staples, any full service grocery store and most other retailers who would occupy 15,000 to 20,000 square feet or more.

Also, noticeably absent from the above list of possible new retail uses are any restaurants, bars, clubs or other eating or drinking establishments. The reasons for these omissions are two-fold. First, in all likelihood any restaurant or food service would conflict with Chartwell's existing exclusive agreement with the University to provide such uses. Second, there are a number of issues that arise in connection with having alcohol sales or consumption (it should be noted this issue could also arise in connection with some of the other uses listed above) on campus. Accordingly, for the purposes of this analysis, we have assumed any new retail tenants (except those listed above) would NOT include any restaurants or other eating and drinking establishments.

In our opinion, the aforementioned limitations on the retail uses in an Innovation Village shopping center would significantly impact FAU's ability to fill up to 130,000 square feet of retail as proposed. A shopping center of this size is what is most commonly referred to as a "neighborhood" center serving the day-to-day retail and service needs of surrounding residents. In virtually all cases, such neighborhood centers are anchored by a grocery store of 40,000 to 50,000 square feet and a drug store and/or hardware store of between 10,000 and 15,000 square feet each. The balance of a 130,000 square foot shopping center (i.e. the remaining 65,000 square feet or so) would be made up of various smaller retail and service tenants such as, a card shop, a dentist office, a frame shop, and the various other businesses previously mentioned.

Nevertheless, limited research into some current available retail space in Boca Raton does at least give us an idea of the value the Innovation Village retail space may have in the current market place regardless of how large such a center ultimately is

determined to be. Table 1 below shows some local retail space listed as available on the Internet listings of LoopNet.com:

**Table 1**

<b>Local Available Retail</b>				
<b>Location</b>	<b>Available Square Footage</b>	<b>Total Center Square Footage</b>	<b>Price per SF</b>	<b>Property Age</b>
Park Plaza West <i>Glades at Lyons</i>	25,020	57,500	\$25.00	2001
Federal Highway	1,000	32,000	25.20	1966
	1,600	32,000	24.00	1966
	1,560	32,000	17.70	1966
Federal Highway <i>Near Mizner Park</i>	2,000	10,000	20.10	older
Yamato at Congress	1,136	10,000	28.00	1998
Near Mizner Park	1,200	6,000	22.00	1956
	900	6,000	22.70	1956
Sandalfoot Shopping Center <i>441 at Marine Blvd.</i>	12,300	140,800	14.00*	1984
	36,000	140,800	8.00*	1984
	2,400	140,800	14.00	1984
	600	140,800	20.00	1984
	1,800	140,800	16.00	1984
<b>Average Price/SF</b>	<b>\$21.30</b>			
<b>Average Price/SF "Big Box"</b>	<b>\$11.00</b>			
<i>* These spaces are considered "Big Box" and have a different rent structure than the other spaces.</i>				
<i>Source: LoopNet, Johnson Consulting</i>				

As indicated in this table and as is common in retail leasing, rents vary between large "big box" tenants who generally anchor a shopping center and generate traffic for the other retailers in the center and the smaller retailers who benefit from being near the larger tenants. The offerings listed above indicate an average "big box" rental rate of \$11 per square foot and \$21.30 per square foot for smaller retailers.

Based upon these average rental numbers and the tenant mix described above, we are able to derive the potential rental revenue such a 130,000 square foot shopping center could generate. However, in addition to our reservation previously expressed that a center of this size could be difficult to lease with the current limitations, it should also be noted the following information assumes that all leases in the center are triple net (i.e. are net of taxes, insurance and common area

maintenance expenses, so that most all expenses of the center are paid on a prorated basis by the tenants in addition to the rents listed below as revenues to the landlord) and as such expenses are deemed to be a “wash” for purposes of this analysis. Furthermore, we have not taken into consideration any debt service for the purposes of this analysis. Table 2 provides an indication of the revenue potential of the Innovation Village retail.

**Table 2**

<b>Innovation Village Rent Revenue</b>			
<b>Tenant</b>	<b>Square Feet</b>	<b>\$/SF</b>	<b>Annual Rent</b>
Drugstore	12,000	\$11	\$132,000
Convenience Store	3,000	21	63,000
Dry Cleaners/Laundry	2,000	21	42,000
Video Store	3,000	21	63,000
Tanning Salon	1,000	21	21,000
Hair/Nail Salon	1,000	21	21,000
Computer/Electronics	2,500	21	31,500
Optician	1,000	21	21,000
Movie Theater/Café	5,000	21	105,000
Bowling Alley	20,000	11	220,000
Sub Total	50,500	-	\$719,500
Balance	79,500	\$16	\$1,272,000
<b>Total</b>	<b>130,000</b>		<b>\$1,991,500</b>

Source: Johnson Consulting, FAU

Once again, the above numbers are for a full 130,000 square foot center and use the previously described average rental rates for the more specifically identified tenants. An average rate of \$16 per square foot was used for the additional space not designated by a particular tenant use. This rental rate is the average of the “big box” rate and the smaller tenant rate from Table 1.

As shown above, a 130,000 retail center on campus could possibly generate nearly \$2,000,000 per year in revenue (exclusive of debt service). It also appears safe to say that a smaller center with the uses suggested by FAU staff plus a few more in a center approximately half the size of the currently proposed center would generate nearly \$1,000,000.

Another possibility for providing new retail on campus would be to ground lease the land designated for such retail to a private developer in much the same manner that FAU ground leased land to a private developer on the South side of Glades Road for what has since become the high end retail and restaurant center know as University Commons. In 1999, the University leased the 22.07 acre site and now enjoys approximately \$1,100,000 in annual rent payments (or \$50,000 per acre).

However, the Innovation Village retail site would not have the same prime retail locations qualities as the University Commons site has, i.e. high visibility on main thoroughfare and easy interstate highway access.

Although a detailed site plan with specific acreage for the retail component has not been prepared, we conservatively estimate a 130,000 square foot shopping center would require approximately 5 times that area to accommodate ample parking and other site improvements. As such the retail component would sit on a site of about 15 acres. Preliminary market research indicates the site could yield annual rent of approximately \$400,000 per year in ground rent (or \$21,333 per acre).

However, it should be noted a ground lease would not resolve the issues raised by the Chartwell food and beverage exclusive or the other limitations mentioned above, which it is assumed would have to be either addressed in another manner or included in the ground lease as restrictive covenants. In the event of the latter, such restrictions would undoubtedly reduce the amount of annual rent FAU would receive.

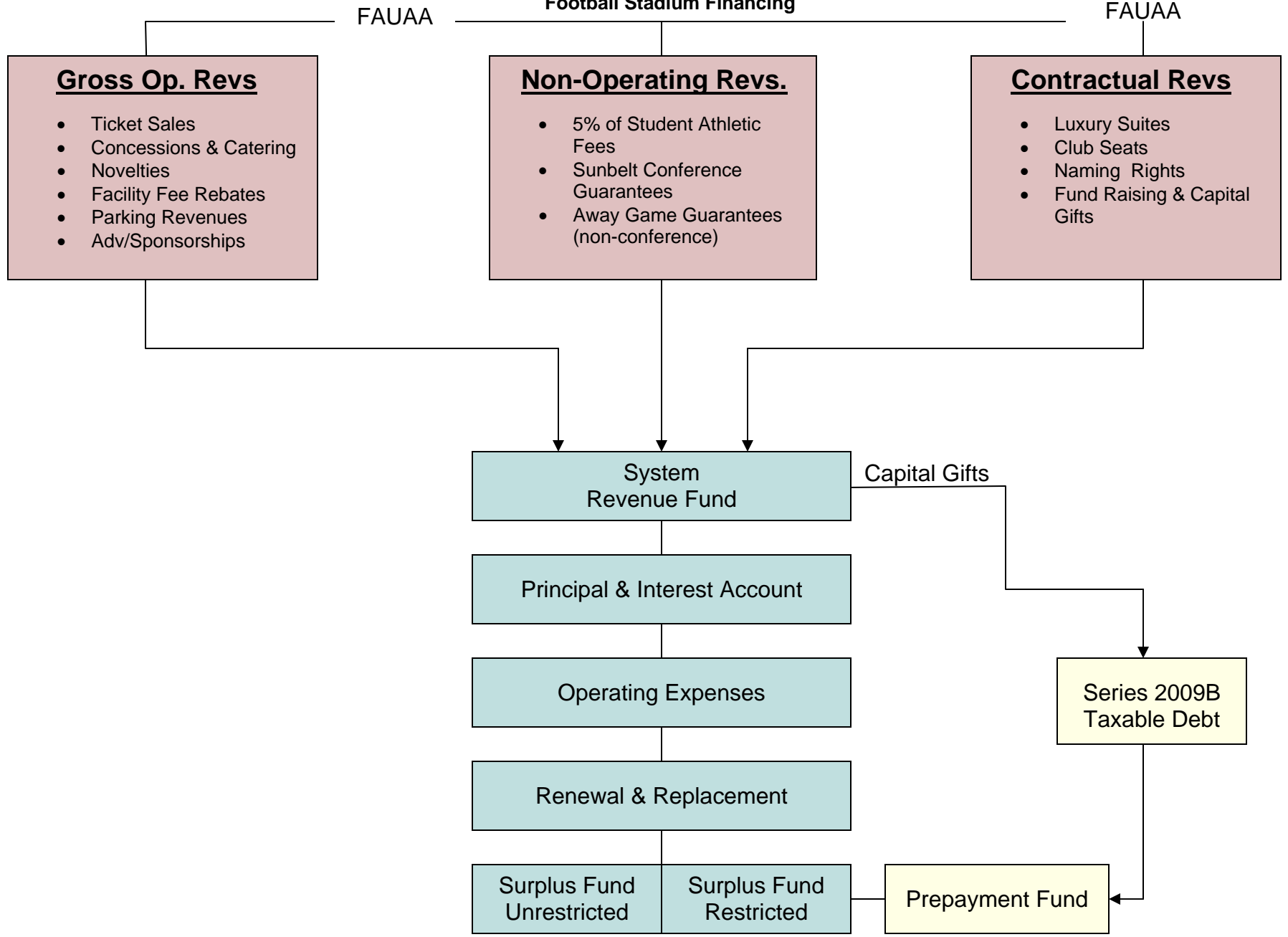
As previously stated, this analysis is not intended to be a comprehensive and definitive review of the retail component of the Innovation Village plan, but rather is provided to give a small indication of that components potential as part of the plan.

# FAU ATHLETICS ASSOCIATION, INC.

## Conceptual Financing Structure

- Tax-Exempt and Taxable Debt (Certificates of Participation)
- Amortization Period of 30 Years (2012-2040)
- Financing Steps Required
  - Drafting of legal documentation outlining legal and financing covenants
  - Preparation of amortization schedules consistent with revenue projections and security features
  - Submission of all documentation to bond insurance companies, rating agencies and letter of credit banks
  - Certificates of Participation (COP's) are expected to be credit enhanced by an insurance company or bank
  - Sale and closing of transaction (est. on or prior to January, 2009)
- Proposed Security Features
  - COP's are secured by the operating revenues of the project, i.e. ticket sales concessions, parking, private donations, premium seating, advertising and sponsorships. Additional security may come from new housing facilities net revenues after debt service
  - COP's additionally secured by a commitment to continue to support an NCAA Div. I-A football program and its related facilities at FAU and play their home football games on-campus at this facility
- Operating Revenues of the Project are Expected to Fund All Operating Expenses, Ongoing Maintenance and Debt Service on COP's

**\$76,570,000**  
**Florida Atlantic University Athletic Association (FAUAA)**  
**Series 2009A (Tax-Exempt) and Series 2009B (Taxable)**  
**Football Stadium Financing**





FLORIDA ATLANTIC UNIVERSITY

Football Stadium Financial Projections and Debt Service Coverage Ratios

	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>
<b>Operating Revenue</b>										
Ticket Sales Revenues	1,495	1,518	1,584	1,655	1,728	1,802	1,879	1,959	2,041	2,127
Net Concessions	360	368	384	401	419	435	452	469	487	506
Net Catering	49	50	51	52	54	55	56	58	59	61
Net Novelties	33	34	35	37	38	40	42	43	45	47
Net Parking	461	472	485	522	536	548	587	594	602	637
Premium Seating, less 7% fulfillment	2,093	2,124	2,156	2,189	2,223	2,466	2,501	2,538	2,575	2,613
Advertising and Sponsorship	372	411	421	431	442	453	465	476	488	500
Naming Rights less 7% fulfillment	698	698	698	698	698	698	698	698	698	698
Facility Fee/Rebates	162	161	164	167	170	173	176	178	181	184
Capital Gifts	750	750	750	750	750	750	750	750	750	750
Other Revenue	115	116	118	119	121	131	133	134	136	137
<b>Total Revenue</b>	<u>6,588</u>	<u>6,702</u>	<u>6,846</u>	<u>7,021</u>	<u>7,179</u>	<u>7,551</u>	<u>7,739</u>	<u>7,897</u>	<u>8,062</u>	<u>8,260</u>
<b>Operating Expenses</b>										
<b>Fixed</b>										
Salary - Permanent Staff	250	256	263	269	276	283	290	297	305	312
Benefits - Permanent Staff	75	77	79	81	83	85	87	89	91	94
General and Administrative	180	185	189	194	199	204	209	214	219	225
Utilities	150	154	158	162	166	170	174	178	183	187
Repairs and Maintenance	240	246	252	323	331	339	348	357	366	375
Insurance	63	65	67	70	74	76	79	82	85	88
Communications	40	41	42	43	44	45	46	48	49	50
Advertising	56	62	63	65	66	68	70	71	73	75
Miscellaneous	50	51	53	54	55	57	58	59	61	62
<b>Variable</b>										
Gameday Expenses	315	323	337	352	368	381	395	410	424	440
<b>Total Expenses</b>	<u>1,419</u>	<u>1,460</u>	<u>1,503</u>	<u>1,613</u>	<u>1,662</u>	<u>1,708</u>	<u>1,756</u>	<u>1,805</u>	<u>1,856</u>	<u>1,908</u>
<b>Net Operating Income (Deficit)</b>	5,169	5,242	5,343	5,408	5,517	5,843	5,983	6,092	6,206	6,352
<b>Management Fee</b>	0	0	0	0	0	0	0	0	0	0
<b>Net Operating Income (Deficit) Available for Debt Service</b>	5,169	5,242	5,343	5,408	5,517	5,843	5,983	6,092	6,206	6,352
<b>Debt Service (\$62,000,000 Project)</b>	1,318 *	3,954	5,114	5,113	5,114	5,111	5,115	5,116	5,112	5,115
<b>Coverage Ratio (\$62,000,000 Project)</b>	3.92	1.33	1.04	1.06	1.08	1.14	1.17	1.19	1.21	1.24
<b>Other Non Operating Revenue</b>										
Away Game & Conf Guarantees	1,900	1,957	2,016	2,076	2,138	2,203	2,269	2,337	2,407	2,479
Five % of Student Athletic Fees	400	408	416	424	433	442	450	459	469	478
<b>Total Fundraising</b>	<u>2,300</u>	<u>2,365</u>	<u>2,432</u>	<u>2,500</u>	<u>2,571</u>	<u>2,645</u>	<u>2,719</u>	<u>2,796</u>	<u>2,876</u>	<u>2,957</u>
<b>Net Operating and Non-Operating Income Available for Debt Service</b>	7,469	7,607	7,775	7,908	8,088	8,488	8,702	8,888	9,082	9,309
<b>Coverage Ratio including Non-Operating Revenues \$62,000,000</b>	5.67	1.92	1.52	1.55	1.58	1.66	1.70	1.74	1.78	1.82

\* Capitalized through 3/1/2011



BOND SUMMARY STATISTICS

Florida Atlantic University  
Stadium Project, Series 2009  
\$62,000,000 Project Fund

Dated Date	03/01/2009
Delivery Date	03/01/2009
Last Maturity	09/01/2040
Arbitrage Yield	5.250000%
True Interest Cost (TIC)	5.291762%
Net Interest Cost (NIC)	5.273860%
All-In TIC	5.336474%
Average Coupon	5.250000%
Average Life (years)	20.956
Duration of Issue (years)	12.304
Par Amount	75,310,000.00
Bond Proceeds	75,310,000.00
Total Interest	82,854,450.00
Net Interest	83,231,000.00
Total Debt Service	158,164,450.00
Maximum Annual Debt Service	5,115,675.00
Average Annual Debt Service	5,021,093.65
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	75,310,000.00	100.000	5.250%	20.956
	75,310,000.00			20.956

	TIC	All-In TIC	Arbitrage Yield
Par Value	75,310,000.00	75,310,000.00	75,310,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-376,550.00	-376,550.00	
- Cost of Issuance Expense		-400,000.00	
- Other Amounts			
Target Value	74,933,450.00	74,533,450.00	75,310,000.00
Target Date	03/01/2009	03/01/2009	03/01/2009
Yield	5.291762%	5.336474%	5.250000%

BOND DEBT SERVICE

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$62,000,000 Project Fund

Dated Date 03/01/2009  
 Delivery Date 03/01/2009

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2009			1,976,887.50	1,976,887.50
09/01/2010			3,953,775.00	3,953,775.00
09/01/2011			3,953,775.00	3,953,775.00
09/01/2012	1,160,000	5.250%	3,953,775.00	5,113,775.00
09/01/2013	1,220,000	5.250%	3,892,875.00	5,112,875.00
09/01/2014	1,285,000	5.250%	3,828,825.00	5,113,825.00
09/01/2015	1,350,000	5.250%	3,761,362.50	5,111,362.50
09/01/2016	1,425,000	5.250%	3,690,487.50	5,115,487.50
09/01/2017	1,500,000	5.250%	3,615,675.00	5,115,675.00
09/01/2018	1,575,000	5.250%	3,536,925.00	5,111,925.00
09/01/2019	1,660,000	5.250%	3,454,237.50	5,114,237.50
09/01/2020	1,745,000	5.250%	3,367,087.50	5,112,087.50
09/01/2021	1,840,000	5.250%	3,275,475.00	5,115,475.00
09/01/2022	1,935,000	5.250%	3,178,875.00	5,113,875.00
09/01/2023	2,035,000	5.250%	3,077,287.50	5,112,287.50
09/01/2024	2,140,000	5.250%	2,970,450.00	5,110,450.00
09/01/2025	2,255,000	5.250%	2,858,100.00	5,113,100.00
09/01/2026	2,375,000	5.250%	2,739,712.50	5,114,712.50
09/01/2027	2,500,000	5.250%	2,615,025.00	5,115,025.00
09/01/2028	2,630,000	5.250%	2,483,775.00	5,113,775.00
09/01/2029	2,765,000	5.250%	2,345,700.00	5,110,700.00
09/01/2030	2,910,000	5.250%	2,200,537.50	5,110,537.50
09/01/2031	3,065,000	5.250%	2,047,762.50	5,112,762.50
09/01/2032	3,225,000	5.250%	1,886,850.00	5,111,850.00
09/01/2033	3,395,000	5.250%	1,717,537.50	5,112,537.50
09/01/2034	3,575,000	5.250%	1,539,300.00	5,114,300.00
09/01/2035	3,760,000	5.250%	1,351,612.50	5,111,612.50
09/01/2036	3,960,000	5.250%	1,154,212.50	5,114,212.50
09/01/2037	4,165,000	5.250%	946,312.50	5,111,312.50
09/01/2038	4,385,000	5.250%	727,650.00	5,112,650.00
09/01/2039	4,615,000	5.250%	497,437.50	5,112,437.50
09/01/2040	4,860,000	5.250%	255,150.00	5,115,150.00
	75,310,000		82,854,450.00	158,164,450.00

Notes:

Assumes a swap rate of 4.55% (50 b.p. over current market BMA swap rates)  
 plus LOC fee of 60 b.p. and remarketing and trustee fees of 10 b.p.

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RESERVE FUND

Florida Atlantic University  
Stadium Project, Series 2009  
\$62,000,000 Project Fund

Capitalized Interest thru 3/1/11 (CAPINT)

Date	Deposit	Interest @ 5.25%	Principal	Scheduled Draws	Balance
03/01/2009	7,414,660.06				7,414,660.06
09/01/2009		194,634.83	1,782,252.67	1,976,887.50	5,632,407.39
03/01/2010		147,850.69	1,829,036.81	1,976,887.50	3,803,370.58
09/01/2010		99,838.48	1,877,049.02	1,976,887.50	1,926,321.56
03/01/2011		50,565.94	1,926,321.56	1,976,887.50	
	7,414,660.06	492,889.94	7,414,660.06	7,907,550.00	

Yield To Receipt Date: 5.2500000%  
Arbitrage Yield: 5.2500000%

RESERVE FUND

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$62,000,000 Project Fund

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5.25%	Principal	Debt Service	Balance
03/01/2009	5,115,675				5,115,675
09/01/2009		134,286.47		-134,286.47	5,115,675
03/01/2010		134,286.47		-134,286.47	5,115,675
09/01/2010		134,286.47		-134,286.47	5,115,675
03/01/2011		134,286.47		-134,286.47	5,115,675
09/01/2011		134,286.47		-134,286.47	5,115,675
03/01/2012		134,286.47		-134,286.47	5,115,675
09/01/2012		134,286.47		-134,286.47	5,115,675
03/01/2013		134,286.47		-134,286.47	5,115,675
09/01/2013		134,286.47		-134,286.47	5,115,675
03/01/2014		134,286.47		-134,286.47	5,115,675
09/01/2014		134,286.47		-134,286.47	5,115,675
03/01/2015		134,286.47		-134,286.47	5,115,675
09/01/2015		134,286.47		-134,286.47	5,115,675
03/01/2016		134,286.47		-134,286.47	5,115,675
09/01/2016		134,286.47		-134,286.47	5,115,675
03/01/2017		134,286.47		-134,286.47	5,115,675
09/01/2017		134,286.47		-134,286.47	5,115,675
03/01/2018		134,286.47		-134,286.47	5,115,675
09/01/2018		134,286.47		-134,286.47	5,115,675
03/01/2019		134,286.47		-134,286.47	5,115,675
09/01/2019		134,286.47		-134,286.47	5,115,675
03/01/2020		134,286.47		-134,286.47	5,115,675
09/01/2020		134,286.47		-134,286.47	5,115,675
03/01/2021		134,286.47		-134,286.47	5,115,675
09/01/2021		134,286.47		-134,286.47	5,115,675
03/01/2022		134,286.47		-134,286.47	5,115,675
09/01/2022		134,286.47		-134,286.47	5,115,675
03/01/2023		134,286.47		-134,286.47	5,115,675
09/01/2023		134,286.47		-134,286.47	5,115,675
03/01/2024		134,286.47		-134,286.47	5,115,675
09/01/2024		134,286.47		-134,286.47	5,115,675
03/01/2025		134,286.47		-134,286.47	5,115,675
09/01/2025		134,286.47		-134,286.47	5,115,675
03/01/2026		134,286.47		-134,286.47	5,115,675
09/01/2026		134,286.47		-134,286.47	5,115,675
03/01/2027		134,286.47		-134,286.47	5,115,675
09/01/2027		134,286.47		-134,286.47	5,115,675
03/01/2028		134,286.47		-134,286.47	5,115,675
09/01/2028		134,286.47		-134,286.47	5,115,675
03/01/2029		134,286.47		-134,286.47	5,115,675
09/01/2029		134,286.47		-134,286.47	5,115,675
03/01/2030		134,286.47		-134,286.47	5,115,675
09/01/2030		134,286.47		-134,286.47	5,115,675
03/01/2031		134,286.47		-134,286.47	5,115,675
09/01/2031		134,286.47		-134,286.47	5,115,675
03/01/2032		134,286.47		-134,286.47	5,115,675
09/01/2032		134,286.47		-134,286.47	5,115,675
03/01/2033		134,286.47		-134,286.47	5,115,675
09/01/2033		134,286.47		-134,286.47	5,115,675
03/01/2034		134,286.47		-134,286.47	5,115,675

RESERVE FUND

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$62,000,000 Project Fund

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5.25%	Principal	Debt Service	Balance
09/01/2034		134,286.47		-134,286.47	5,115,675
03/01/2035		134,286.47		-134,286.47	5,115,675
09/01/2035		134,286.47		-134,286.47	5,115,675
03/01/2036		134,286.47		-134,286.47	5,115,675
09/01/2036		134,286.47		-134,286.47	5,115,675
03/01/2037		134,286.47		-134,286.47	5,115,675
09/01/2037		134,286.47		-134,286.47	5,115,675
03/01/2038		134,286.47		-134,286.47	5,115,675
09/01/2038		134,286.47		-134,286.47	5,115,675
03/01/2039		134,286.47		-134,286.47	5,115,675
09/01/2039		134,286.47		-134,286.47	5,115,675
03/01/2040		134,286.47		-134,286.47	5,115,675
09/01/2040		134,286.47	5,115,675	-5,249,961.47	
	5,115,675	8,460,047.61	5,115,675	-13,575,722.61	

Yield To Receipt Date: 5.2500000%  
 Arbitrage Yield: 5.2500000%

NET DEBT SERVICE

Florida Atlantic University  
Stadium Project, Series 2009  
\$62,000,000 Project Fund

Period Ending	Total Debt Service	General Fund	Capitalized Interest thru 3/1/11	Debt Service Reserve Fund	Net Debt Service
09/01/2009	1,976,887.50	-134,286.47	1,976,887.50	134,286.47	
09/01/2010	3,953,775.00	-268,572.94	3,953,775.00	268,572.94	
09/01/2011	3,953,775.00	402,859.41	1,976,887.50	268,572.94	1,305,455.15
09/01/2012	5,113,775.00			268,572.94	4,845,202.06
09/01/2013	5,112,875.00			268,572.94	4,844,302.06
09/01/2014	5,113,825.00			268,572.94	4,845,252.06
09/01/2015	5,111,362.50			268,572.94	4,842,789.56
09/01/2016	5,115,487.50			268,572.94	4,846,914.56
09/01/2017	5,115,675.00			268,572.94	4,847,102.06
09/01/2018	5,111,925.00			268,572.94	4,843,352.06
09/01/2019	5,114,237.50			268,572.94	4,845,664.56
09/01/2020	5,112,087.50			268,572.94	4,843,514.56
09/01/2021	5,115,475.00			268,572.94	4,846,902.06
09/01/2022	5,113,875.00			268,572.94	4,845,302.06
09/01/2023	5,112,287.50			268,572.94	4,843,714.56
09/01/2024	5,110,450.00			268,572.94	4,841,877.06
09/01/2025	5,113,100.00			268,572.94	4,844,527.06
09/01/2026	5,114,712.50			268,572.94	4,846,139.56
09/01/2027	5,115,025.00			268,572.94	4,846,452.06
09/01/2028	5,113,775.00			268,572.94	4,845,202.06
09/01/2029	5,110,700.00			268,572.94	4,842,127.06
09/01/2030	5,110,537.50			268,572.94	4,841,964.56
09/01/2031	5,112,762.50			268,572.94	4,844,189.56
09/01/2032	5,111,850.00			268,572.94	4,843,277.06
09/01/2033	5,112,537.50			268,572.94	4,843,964.56
09/01/2034	5,114,300.00			268,572.94	4,845,727.06
09/01/2035	5,111,612.50			268,572.94	4,843,039.56
09/01/2036	5,114,212.50			268,572.94	4,845,639.56
09/01/2037	5,111,312.50			268,572.94	4,842,739.56
09/01/2038	5,112,650.00			268,572.94	4,844,077.06
09/01/2039	5,112,437.50			268,572.94	4,843,864.56
09/01/2040	5,115,150.00			5,384,247.94	-269,097.94
	158,164,450.00	0.00	7,907,550.00	13,575,722.61	136,681,177.39



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SOURCES AND USES OF FUNDS

Florida Atlantic University  
Stadium Project, Series 2009  
\$65,000,000 Project Fund

Dated Date            03/01/2009  
Delivery Date        03/01/2009

Sources:

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Bond Proceeds:	
Par Amount	78,940,000.00
	<hr/>
	78,940,000.00

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Uses:

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Project Fund Deposits:	
Project Fund	65,000,000.00
Other Fund Deposits:	
Capitalized Interest thru 3/1/11	7,772,052.39
Debt Service Reserve Fund	<hr/>
	5,362,275.00
	13,134,327.39
Delivery Date Expenses:	
Cost of Issuance	410,000.00
Underwriter's Discount	<hr/>
	394,700.00
	804,700.00
Other Uses of Funds:	
Additional Proceeds	972.61
	<hr/>
	78,940,000.00

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BOND SUMMARY STATISTICS

Florida Atlantic University  
Stadium Project, Series 2009  
\$65,000,000 Project Fund

Dated Date	03/01/2009
Delivery Date	03/01/2009
Last Maturity	09/01/2040
Arbitrage Yield	5.250000%
True Interest Cost (TIC)	5.291759%
Net Interest Cost (NIC)	5.273858%
All-In TIC	5.335474%
Average Coupon	5.250000%
Average Life (years)	20.958
Duration of Issue (years)	12.305
Par Amount	78,940,000.00
Bond Proceeds	78,940,000.00
Total Interest	86,856,000.00
Net Interest	87,250,700.00
Total Debt Service	165,796,000.00
Maximum Annual Debt Service	5,362,275.00
Average Annual Debt Service	5,263,365.08
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	78,940,000.00	100.000	5.250%	20.958
	78,940,000.00			20.958

	TIC	All-In TIC	Arbitrage Yield
Par Value	78,940,000.00	78,940,000.00	78,940,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-394,700.00	-394,700.00	
- Cost of Issuance Expense		-410,000.00	
- Other Amounts			
Target Value	78,545,300.00	78,135,300.00	78,940,000.00
Target Date	03/01/2009	03/01/2009	03/01/2009
Yield	5.291759%	5.335474%	5.250000%

BOND DEBT SERVICE

Florida Atlantic University  
Stadium Project, Series 2009  
\$65,000,000 Project Fund

Dated Date 03/01/2009  
Delivery Date 03/01/2009

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2009			2,072,175.00	2,072,175.00
09/01/2010			4,144,350.00	4,144,350.00
09/01/2011			4,144,350.00	4,144,350.00
09/01/2012	1,215,000	5.250%	4,144,350.00	5,359,350.00
09/01/2013	1,280,000	5.250%	4,080,562.50	5,360,562.50
09/01/2014	1,345,000	5.250%	4,013,362.50	5,358,362.50
09/01/2015	1,415,000	5.250%	3,942,750.00	5,357,750.00
09/01/2016	1,490,000	5.250%	3,868,462.50	5,358,462.50
09/01/2017	1,570,000	5.250%	3,790,237.50	5,360,237.50
09/01/2018	1,650,000	5.250%	3,707,812.50	5,357,812.50
09/01/2019	1,740,000	5.250%	3,621,187.50	5,361,187.50
09/01/2020	1,830,000	5.250%	3,529,837.50	5,359,837.50
09/01/2021	1,925,000	5.250%	3,433,762.50	5,358,762.50
09/01/2022	2,025,000	5.250%	3,332,700.00	5,357,700.00
09/01/2023	2,135,000	5.250%	3,226,387.50	5,361,387.50
09/01/2024	2,245,000	5.250%	3,114,300.00	5,359,300.00
09/01/2025	2,365,000	5.250%	2,996,437.50	5,361,437.50
09/01/2026	2,490,000	5.250%	2,872,275.00	5,362,275.00
09/01/2027	2,620,000	5.250%	2,741,550.00	5,361,550.00
09/01/2028	2,755,000	5.250%	2,604,000.00	5,359,000.00
09/01/2029	2,900,000	5.250%	2,459,362.50	5,359,362.50
09/01/2030	3,055,000	5.250%	2,307,112.50	5,362,112.50
09/01/2031	3,215,000	5.250%	2,146,725.00	5,361,725.00
09/01/2032	3,380,000	5.250%	1,977,937.50	5,357,937.50
09/01/2033	3,560,000	5.250%	1,800,487.50	5,360,487.50
09/01/2034	3,745,000	5.250%	1,613,587.50	5,358,587.50
09/01/2035	3,945,000	5.250%	1,416,975.00	5,361,975.00
09/01/2036	4,150,000	5.250%	1,209,862.50	5,359,862.50
09/01/2037	4,370,000	5.250%	991,987.50	5,361,987.50
09/01/2038	4,595,000	5.250%	762,562.50	5,357,562.50
09/01/2039	4,840,000	5.250%	521,325.00	5,361,325.00
09/01/2040	5,090,000	5.250%	267,225.00	5,357,225.00
	78,940,000		86,856,000.00	165,796,000.00

Notes:

Assumes a swap rate of 4.55% (50 b.p. over current market BMA swap rates)  
plus LOC fee of 60 b.p. and remarketing and trustee fees of 10 b.p.

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RESERVE FUND

Florida Atlantic University  
Stadium Project, Series 2009  
\$65,000,000 Project Fund

Capitalized Interest thru 3/1/11 (CAPINT)

Date	Deposit	Interest @ 5.25%	Principal	Scheduled Draws	Balance
03/01/2009	7,772,052.39				7,772,052.39
09/01/2009		204,016.38	1,868,158.62	2,072,175	5,903,893.77
03/01/2010		154,977.21	1,917,197.79	2,072,175	3,986,695.98
09/01/2010		104,650.77	1,967,524.23	2,072,175	2,019,171.75
03/01/2011		53,003.26	2,019,171.74	2,072,175	0.01
	7,772,052.39	516,647.62	7,772,052.38	8,288,700	

Yield To Receipt Date: 5.2500000%  
Arbitrage Yield: 5.2500000%

RESERVE FUND

Florida Atlantic University  
Stadium Project, Series 2009  
\$65,000,000 Project Fund

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5.25%	Principal	Debt Service	Balance
03/01/2009	5,362,275				5,362,275
09/01/2009		140,759.72		-140,759.72	5,362,275
03/01/2010		140,759.72		-140,759.72	5,362,275
09/01/2010		140,759.72		-140,759.72	5,362,275
03/01/2011		140,759.72		-140,759.72	5,362,275
09/01/2011		140,759.72		-140,759.72	5,362,275
03/01/2012		140,759.72		-140,759.72	5,362,275
09/01/2012		140,759.72		-140,759.72	5,362,275
03/01/2013		140,759.72		-140,759.72	5,362,275
09/01/2013		140,759.72		-140,759.72	5,362,275
03/01/2014		140,759.72		-140,759.72	5,362,275
09/01/2014		140,759.72		-140,759.72	5,362,275
03/01/2015		140,759.72		-140,759.72	5,362,275
09/01/2015		140,759.72		-140,759.72	5,362,275
03/01/2016		140,759.72		-140,759.72	5,362,275
09/01/2016		140,759.72		-140,759.72	5,362,275
03/01/2017		140,759.72		-140,759.72	5,362,275
09/01/2017		140,759.72		-140,759.72	5,362,275
03/01/2018		140,759.72		-140,759.72	5,362,275
09/01/2018		140,759.72		-140,759.72	5,362,275
03/01/2019		140,759.72		-140,759.72	5,362,275
09/01/2019		140,759.72		-140,759.72	5,362,275
03/01/2020		140,759.72		-140,759.72	5,362,275
09/01/2020		140,759.72		-140,759.72	5,362,275
03/01/2021		140,759.72		-140,759.72	5,362,275
09/01/2021		140,759.72		-140,759.72	5,362,275
03/01/2022		140,759.72		-140,759.72	5,362,275
09/01/2022		140,759.72		-140,759.72	5,362,275
03/01/2023		140,759.72		-140,759.72	5,362,275
09/01/2023		140,759.72		-140,759.72	5,362,275
03/01/2024		140,759.72		-140,759.72	5,362,275
09/01/2024		140,759.72		-140,759.72	5,362,275
03/01/2025		140,759.72		-140,759.72	5,362,275
09/01/2025		140,759.72		-140,759.72	5,362,275
03/01/2026		140,759.72		-140,759.72	5,362,275
09/01/2026		140,759.72		-140,759.72	5,362,275
03/01/2027		140,759.72		-140,759.72	5,362,275
09/01/2027		140,759.72		-140,759.72	5,362,275
03/01/2028		140,759.72		-140,759.72	5,362,275
09/01/2028		140,759.72		-140,759.72	5,362,275
03/01/2029		140,759.72		-140,759.72	5,362,275
09/01/2029		140,759.72		-140,759.72	5,362,275
03/01/2030		140,759.72		-140,759.72	5,362,275
09/01/2030		140,759.72		-140,759.72	5,362,275
03/01/2031		140,759.72		-140,759.72	5,362,275
09/01/2031		140,759.72		-140,759.72	5,362,275
03/01/2032		140,759.72		-140,759.72	5,362,275
09/01/2032		140,759.72		-140,759.72	5,362,275
03/01/2033		140,759.72		-140,759.72	5,362,275
09/01/2033		140,759.72		-140,759.72	5,362,275
03/01/2034		140,759.72		-140,759.72	5,362,275

RESERVE FUND

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$65,000,000 Project Fund

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5.25%	Principal	Debt Service	Balance
09/01/2034		140,759.72		-140,759.72	5,362,275
03/01/2035		140,759.72		-140,759.72	5,362,275
09/01/2035		140,759.72		-140,759.72	5,362,275
03/01/2036		140,759.72		-140,759.72	5,362,275
09/01/2036		140,759.72		-140,759.72	5,362,275
03/01/2037		140,759.72		-140,759.72	5,362,275
09/01/2037		140,759.72		-140,759.72	5,362,275
03/01/2038		140,759.72		-140,759.72	5,362,275
09/01/2038		140,759.72		-140,759.72	5,362,275
03/01/2039		140,759.72		-140,759.72	5,362,275
09/01/2039		140,759.72		-140,759.72	5,362,275
03/01/2040		140,759.72		-140,759.72	5,362,275
09/01/2040		140,759.72	5,362,275	-5,503,034.72	
	5,362,275	8,867,862.36	5,362,275	-14,230,137.36	

Yield To Receipt Date: 5.2500000%  
 Arbitrage Yield: 5.2500000%

NET DEBT SERVICE

Florida Atlantic University  
Stadium Project, Series 2009  
\$65,000,000 Project Fund

Period Ending	Total Debt Service	General Fund	Capitalized Interest thru 3/1/11	Debt Service Reserve Fund	Net Debt Service
09/01/2009	2,072,175.00	-140,759.72	2,072,175	140,759.72	
09/01/2010	4,144,350.00	-281,519.44	4,144,350	281,519.44	
09/01/2011	4,144,350.00	422,279.16	2,072,175	281,519.44	1,368,376.40
09/01/2012	5,359,350.00			281,519.44	5,077,830.56
09/01/2013	5,360,562.50			281,519.44	5,079,043.06
09/01/2014	5,358,362.50			281,519.44	5,076,843.06
09/01/2015	5,357,750.00			281,519.44	5,076,230.56
09/01/2016	5,358,462.50			281,519.44	5,076,943.06
09/01/2017	5,360,237.50			281,519.44	5,078,718.06
09/01/2018	5,357,812.50			281,519.44	5,076,293.06
09/01/2019	5,361,187.50			281,519.44	5,079,668.06
09/01/2020	5,359,837.50			281,519.44	5,078,318.06
09/01/2021	5,358,762.50			281,519.44	5,077,243.06
09/01/2022	5,357,700.00			281,519.44	5,076,180.56
09/01/2023	5,361,387.50			281,519.44	5,079,868.06
09/01/2024	5,359,300.00			281,519.44	5,077,780.56
09/01/2025	5,361,437.50			281,519.44	5,079,918.06
09/01/2026	5,362,275.00			281,519.44	5,080,755.56
09/01/2027	5,361,550.00			281,519.44	5,080,030.56
09/01/2028	5,359,000.00			281,519.44	5,077,480.56
09/01/2029	5,359,362.50			281,519.44	5,077,843.06
09/01/2030	5,362,112.50			281,519.44	5,080,593.06
09/01/2031	5,361,725.00			281,519.44	5,080,205.56
09/01/2032	5,357,937.50			281,519.44	5,076,418.06
09/01/2033	5,360,487.50			281,519.44	5,078,968.06
09/01/2034	5,358,587.50			281,519.44	5,077,068.06
09/01/2035	5,361,975.00			281,519.44	5,080,455.56
09/01/2036	5,359,862.50			281,519.44	5,078,343.06
09/01/2037	5,361,987.50			281,519.44	5,080,468.06
09/01/2038	5,357,562.50			281,519.44	5,076,043.06
09/01/2039	5,361,325.00			281,519.44	5,079,805.56
09/01/2040	5,357,225.00			5,643,794.44	-286,569.44
	165,796,000.00	0.00	8,288,700	14,230,137.36	143,277,162.64

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SOURCES AND USES OF FUNDS

Florida Atlantic University  
Stadium Project, Series 2009  
\$72,000,000 Project Fund

Dated Date           03/01/2009  
Delivery Date       03/01/2009

Sources:

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Bond Proceeds:  
    Par Amount                           87,425,000.00

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87,425,000.00

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Uses:

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Project Fund Deposits:  
    Project Fund                           72,000,000.00

Other Fund Deposits:  
    Capitalized Interest thru 3/1/11       8,607,444.65  
    Debt Service Reserve Fund           5,938,725.00

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14,546,169.65

Delivery Date Expenses:  
    Cost of Issuance                   440,000.00  
    Underwriter's Discount             437,125.00

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877,125.00

Other Uses of Funds:  
    Additional Proceeds                   1,705.35

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87,425,000.00

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BOND SUMMARY STATISTICS

Florida Atlantic University  
Stadium Project, Series 2009  
\$72,000,000 Project Fund

Dated Date	03/01/2009
Delivery Date	03/01/2009
Last Maturity	09/01/2040
Arbitrage Yield	5.250000%
True Interest Cost (TIC)	5.291760%
Net Interest Cost (NIC)	5.273859%
All-In TIC	5.334117%
Average Coupon	5.250000%
Average Life (years)	20.957
Duration of Issue (years)	12.305
Par Amount	87,425,000.00
Bond Proceeds	87,425,000.00
Total Interest	96,187,481.25
Net Interest	96,624,606.25
Total Debt Service	183,612,481.25
Maximum Annual Debt Service	5,938,725.00
Average Annual Debt Service	5,828,967.66
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	87,425,000.00	100.000	5.250%	20.957
	87,425,000.00			20.957

	TIC	All-In TIC	Arbitrage Yield
Par Value	87,425,000.00	87,425,000.00	87,425,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-437,125.00	-437,125.00	
- Cost of Issuance Expense		-440,000.00	
- Other Amounts			
Target Value	86,987,875.00	86,547,875.00	87,425,000.00
Target Date	03/01/2009	03/01/2009	03/01/2009
Yield	5.291760%	5.334117%	5.250000%

BOND DEBT SERVICE

Florida Atlantic University  
Stadium Project, Series 2009  
\$72,000,000 Project Fund

Dated Date 03/01/2009  
Delivery Date 03/01/2009

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2009			2,294,906.25	2,294,906.25
09/01/2010			4,589,812.50	4,589,812.50
09/01/2011			4,589,812.50	4,589,812.50
09/01/2012	1,345,000	5.250%	4,589,812.50	5,934,812.50
09/01/2013	1,415,000	5.250%	4,519,200.00	5,934,200.00
09/01/2014	1,490,000	5.250%	4,444,912.50	5,934,912.50
09/01/2015	1,570,000	5.250%	4,366,687.50	5,936,687.50
09/01/2016	1,650,000	5.250%	4,284,262.50	5,934,262.50
09/01/2017	1,740,000	5.250%	4,197,637.50	5,937,637.50
09/01/2018	1,830,000	5.250%	4,106,287.50	5,936,287.50
09/01/2019	1,925,000	5.250%	4,010,212.50	5,935,212.50
09/01/2020	2,025,000	5.250%	3,909,150.00	5,934,150.00
09/01/2021	2,135,000	5.250%	3,802,837.50	5,937,837.50
09/01/2022	2,245,000	5.250%	3,690,750.00	5,935,750.00
09/01/2023	2,365,000	5.250%	3,572,887.50	5,937,887.50
09/01/2024	2,490,000	5.250%	3,448,725.00	5,938,725.00
09/01/2025	2,620,000	5.250%	3,318,000.00	5,935,000.00
09/01/2026	2,755,000	5.250%	3,180,450.00	5,935,450.00
09/01/2027	2,900,000	5.250%	3,035,812.50	5,935,812.50
09/01/2028	3,050,000	5.250%	2,883,562.50	5,933,562.50
09/01/2029	3,215,000	5.250%	2,723,437.50	5,938,437.50
09/01/2030	3,380,000	5.250%	2,554,650.00	5,934,650.00
09/01/2031	3,560,000	5.250%	2,377,200.00	5,937,200.00
09/01/2032	3,745,000	5.250%	2,190,300.00	5,935,300.00
09/01/2033	3,940,000	5.250%	1,993,687.50	5,933,687.50
09/01/2034	4,150,000	5.250%	1,786,837.50	5,936,837.50
09/01/2035	4,365,000	5.250%	1,568,962.50	5,933,962.50
09/01/2036	4,595,000	5.250%	1,339,800.00	5,934,800.00
09/01/2037	4,835,000	5.250%	1,098,562.50	5,933,562.50
09/01/2038	5,090,000	5.250%	844,725.00	5,934,725.00
09/01/2039	5,360,000	5.250%	577,500.00	5,937,500.00
09/01/2040	5,640,000	5.250%	296,100.00	5,936,100.00
	87,425,000		96,187,481.25	183,612,481.25

Notes:

Assumes a swap rate of 4.55% (50 b.p. over current market BMA swap rates)  
plus LOC fee of 60 b.p. and remarketing and trustee fees of 10 b.p.

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RESERVE FUND

Florida Atlantic University  
Stadium Project, Series 2009  
\$72,000,000 Project Fund

Capitalized Interest thru 3/1/11 (CAPINT)

Date	Deposit	Interest @ 5.25%	Principal	Scheduled Draws	Balance
03/01/2009	8,607,444.65				8,607,444.65
09/01/2009		225,945.42	2,068,960.83	2,294,906.25	6,538,483.82
03/01/2010		171,635.20	2,123,271.05	2,294,906.25	4,415,212.77
09/01/2010		115,899.34	2,179,006.91	2,294,906.25	2,236,205.86
03/01/2011		58,700.40	2,236,205.85	2,294,906.25	0.01
	8,607,444.65	572,180.36	8,607,444.64	9,179,625.00	

Yield To Receipt Date: 5.24999999%  
Arbitrage Yield: 5.25000000%  
Value of Negative Arbitrage: 0.01

RESERVE FUND

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$72,000,000 Project Fund

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5.25%	Principal	Debt Service	Balance
03/01/2009	5,938,725				5,938,725
09/01/2009		155,891.53		-155,891.53	5,938,725
03/01/2010		155,891.53		-155,891.53	5,938,725
09/01/2010		155,891.53		-155,891.53	5,938,725
03/01/2011		155,891.53		-155,891.53	5,938,725
09/01/2011		155,891.53		-155,891.53	5,938,725
03/01/2012		155,891.53		-155,891.53	5,938,725
09/01/2012		155,891.53		-155,891.53	5,938,725
03/01/2013		155,891.53		-155,891.53	5,938,725
09/01/2013		155,891.53		-155,891.53	5,938,725
03/01/2014		155,891.53		-155,891.53	5,938,725
09/01/2014		155,891.53		-155,891.53	5,938,725
03/01/2015		155,891.53		-155,891.53	5,938,725
09/01/2015		155,891.53		-155,891.53	5,938,725
03/01/2016		155,891.53		-155,891.53	5,938,725
09/01/2016		155,891.53		-155,891.53	5,938,725
03/01/2017		155,891.53		-155,891.53	5,938,725
09/01/2017		155,891.53		-155,891.53	5,938,725
03/01/2018		155,891.53		-155,891.53	5,938,725
09/01/2018		155,891.53		-155,891.53	5,938,725
03/01/2019		155,891.53		-155,891.53	5,938,725
09/01/2019		155,891.53		-155,891.53	5,938,725
03/01/2020		155,891.53		-155,891.53	5,938,725
09/01/2020		155,891.53		-155,891.53	5,938,725
03/01/2021		155,891.53		-155,891.53	5,938,725
09/01/2021		155,891.53		-155,891.53	5,938,725
03/01/2022		155,891.53		-155,891.53	5,938,725
09/01/2022		155,891.53		-155,891.53	5,938,725
03/01/2023		155,891.53		-155,891.53	5,938,725
09/01/2023		155,891.53		-155,891.53	5,938,725
03/01/2024		155,891.53		-155,891.53	5,938,725
09/01/2024		155,891.53		-155,891.53	5,938,725
03/01/2025		155,891.53		-155,891.53	5,938,725
09/01/2025		155,891.53		-155,891.53	5,938,725
03/01/2026		155,891.53		-155,891.53	5,938,725
09/01/2026		155,891.53		-155,891.53	5,938,725
03/01/2027		155,891.53		-155,891.53	5,938,725
09/01/2027		155,891.53		-155,891.53	5,938,725
03/01/2028		155,891.53		-155,891.53	5,938,725
09/01/2028		155,891.53		-155,891.53	5,938,725
03/01/2029		155,891.53		-155,891.53	5,938,725
09/01/2029		155,891.53		-155,891.53	5,938,725
03/01/2030		155,891.53		-155,891.53	5,938,725
09/01/2030		155,891.53		-155,891.53	5,938,725
03/01/2031		155,891.53		-155,891.53	5,938,725
09/01/2031		155,891.53		-155,891.53	5,938,725
03/01/2032		155,891.53		-155,891.53	5,938,725
09/01/2032		155,891.53		-155,891.53	5,938,725
03/01/2033		155,891.53		-155,891.53	5,938,725
09/01/2033		155,891.53		-155,891.53	5,938,725
03/01/2034		155,891.53		-155,891.53	5,938,725

RESERVE FUND

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$72,000,000 Project Fund

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5.25%	Principal	Debt Service	Balance
09/01/2034		155,891.53		-155,891.53	5,938,725
03/01/2035		155,891.53		-155,891.53	5,938,725
09/01/2035		155,891.53		-155,891.53	5,938,725
03/01/2036		155,891.53		-155,891.53	5,938,725
09/01/2036		155,891.53		-155,891.53	5,938,725
03/01/2037		155,891.53		-155,891.53	5,938,725
09/01/2037		155,891.53		-155,891.53	5,938,725
03/01/2038		155,891.53		-155,891.53	5,938,725
09/01/2038		155,891.53		-155,891.53	5,938,725
03/01/2039		155,891.53		-155,891.53	5,938,725
09/01/2039		155,891.53		-155,891.53	5,938,725
03/01/2040		155,891.53		-155,891.53	5,938,725
09/01/2040		155,891.53	5,938,725	-6,094,616.53	
	5,938,725	9,821,166.39	5,938,725	-15,759,891.39	

Yield To Receipt Date: 5.2500000%  
 Arbitrage Yield: 5.2500000%

NET DEBT SERVICE

Florida Atlantic University  
Stadium Project, Series 2009  
\$72,000,000 Project Fund

Period Ending	Total Debt Service	General Fund	Capitalized Interest thru 3/1/11	Debt Service Reserve Fund	Net Debt Service
09/01/2009	2,294,906.25	-155,891.53	2,294,906.25	155,891.53	
09/01/2010	4,589,812.50	-311,783.06	4,589,812.50	311,783.06	
09/01/2011	4,589,812.50	467,674.59	2,294,906.25	311,783.06	1,515,448.60
09/01/2012	5,934,812.50			311,783.06	5,623,029.44
09/01/2013	5,934,200.00			311,783.06	5,622,416.94
09/01/2014	5,934,912.50			311,783.06	5,623,129.44
09/01/2015	5,936,687.50			311,783.06	5,624,904.44
09/01/2016	5,934,262.50			311,783.06	5,622,479.44
09/01/2017	5,937,637.50			311,783.06	5,625,854.44
09/01/2018	5,936,287.50			311,783.06	5,624,504.44
09/01/2019	5,935,212.50			311,783.06	5,623,429.44
09/01/2020	5,934,150.00			311,783.06	5,622,366.94
09/01/2021	5,937,837.50			311,783.06	5,626,054.44
09/01/2022	5,935,750.00			311,783.06	5,623,966.94
09/01/2023	5,937,887.50			311,783.06	5,626,104.44
09/01/2024	5,938,725.00			311,783.06	5,626,941.94
09/01/2025	5,938,000.00			311,783.06	5,626,216.94
09/01/2026	5,935,450.00			311,783.06	5,623,666.94
09/01/2027	5,935,812.50			311,783.06	5,624,029.44
09/01/2028	5,933,562.50			311,783.06	5,621,779.44
09/01/2029	5,938,437.50			311,783.06	5,626,654.44
09/01/2030	5,934,650.00			311,783.06	5,622,866.94
09/01/2031	5,937,200.00			311,783.06	5,625,416.94
09/01/2032	5,935,300.00			311,783.06	5,623,516.94
09/01/2033	5,933,687.50			311,783.06	5,621,904.44
09/01/2034	5,936,837.50			311,783.06	5,625,054.44
09/01/2035	5,933,962.50			311,783.06	5,622,179.44
09/01/2036	5,934,800.00			311,783.06	5,623,016.94
09/01/2037	5,933,562.50			311,783.06	5,621,779.44
09/01/2038	5,934,725.00			311,783.06	5,622,941.94
09/01/2039	5,937,500.00			311,783.06	5,625,716.94
09/01/2040	5,936,100.00			6,250,508.06	-314,408.06
	183,612,481.25	0.00	9,179,625.00	15,759,891.39	158,672,964.86

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SOURCES AND USES OF FUNDS

Florida Atlantic University  
Stadium Project, Series 2009  
\$42,000,000 Project Fund

Dated Date           03/01/2009  
Delivery Date       03/01/2009

Sources:

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Bond Proceeds:	
Par Amount	51,145,000.00
	<hr/>
	51,145,000.00

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Uses:

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Project Fund Deposits:	
Project Fund	42,000,000.00
Other Fund Deposits:	
Capitalized Interest thru 3/1/11	5,035,490.50
Debt Service Reserve Fund	<hr/>
	3,475,112.50
	8,510,603.00
Delivery Date Expenses:	
Cost of Issuance	375,000.00
Underwriter's Discount	<hr/>
	255,725.00
	630,725.00
Other Uses of Funds:	
Additional Proceeds	3,672.00
	<hr/>
	51,145,000.00

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BOND SUMMARY STATISTICS

Florida Atlantic University  
Stadium Project, Series 2009  
\$42,000,000 Project Fund

Dated Date	03/01/2009
Delivery Date	03/01/2009
Last Maturity	09/01/2040
Arbitrage Yield	5.250000%
True Interest Cost (TIC)	5.291761%
Net Interest Cost (NIC)	5.273859%
All-In TIC	5.353579%
Average Coupon	5.250000%
Average Life (years)	20.957
Duration of Issue (years)	12.305
Par Amount	51,145,000.00
Bond Proceeds	51,145,000.00
Total Interest	56,271,206.25
Net Interest	56,526,931.25
Total Debt Service	107,416,206.25
Maximum Annual Debt Service	3,475,112.50
Average Annual Debt Service	3,410,038.29
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	51,145,000.00	100.000	5.250%	20.957
	51,145,000.00			20.957

	TIC	All-In TIC	Arbitrage Yield
Par Value	51,145,000.00	51,145,000.00	51,145,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-255,725.00	-255,725.00	
- Cost of Issuance Expense		-375,000.00	
- Other Amounts			
Target Value	50,889,275.00	50,514,275.00	51,145,000.00
Target Date	03/01/2009	03/01/2009	03/01/2009
Yield	5.291761%	5.353579%	5.250000%



BOND DEBT SERVICE

Florida Atlantic University  
Stadium Project, Series 2009  
\$42,000,000 Project Fund

Dated Date                   03/01/2009  
Delivery Date               03/01/2009

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2009			1,342,556.25	1,342,556.25
09/01/2010			2,685,112.50	2,685,112.50
09/01/2011			2,685,112.50	2,685,112.50
09/01/2012	790,000	5.250%	2,685,112.50	3,475,112.50
09/01/2013	830,000	5.250%	2,643,637.50	3,473,637.50
09/01/2014	870,000	5.250%	2,600,062.50	3,470,062.50
09/01/2015	920,000	5.250%	2,554,387.50	3,474,387.50
09/01/2016	965,000	5.250%	2,506,087.50	3,471,087.50
09/01/2017	1,015,000	5.250%	2,455,425.00	3,470,425.00
09/01/2018	1,070,000	5.250%	2,402,137.50	3,472,137.50
09/01/2019	1,125,000	5.250%	2,345,962.50	3,470,962.50
09/01/2020	1,185,000	5.250%	2,286,900.00	3,471,900.00
09/01/2021	1,250,000	5.250%	2,224,687.50	3,474,687.50
09/01/2022	1,315,000	5.250%	2,159,062.50	3,474,062.50
09/01/2023	1,385,000	5.250%	2,090,025.00	3,475,025.00
09/01/2024	1,455,000	5.250%	2,017,312.50	3,472,312.50
09/01/2025	1,530,000	5.250%	1,940,925.00	3,470,925.00
09/01/2026	1,610,000	5.250%	1,860,600.00	3,470,600.00
09/01/2027	1,695,000	5.250%	1,776,075.00	3,471,075.00
09/01/2028	1,785,000	5.250%	1,687,087.50	3,472,087.50
09/01/2029	1,880,000	5.250%	1,593,375.00	3,473,375.00
09/01/2030	1,980,000	5.250%	1,494,675.00	3,474,675.00
09/01/2031	2,080,000	5.250%	1,390,725.00	3,470,725.00
09/01/2032	2,190,000	5.250%	1,281,525.00	3,471,525.00
09/01/2033	2,305,000	5.250%	1,166,550.00	3,471,550.00
09/01/2034	2,425,000	5.250%	1,045,537.50	3,470,537.50
09/01/2035	2,555,000	5.250%	918,225.00	3,473,225.00
09/01/2036	2,690,000	5.250%	784,087.50	3,474,087.50
09/01/2037	2,830,000	5.250%	642,862.50	3,472,862.50
09/01/2038	2,980,000	5.250%	494,287.50	3,474,287.50
09/01/2039	3,135,000	5.250%	337,837.50	3,472,837.50
09/01/2040	3,300,000	5.250%	173,250.00	3,473,250.00
	51,145,000		56,271,206.25	107,416,206.25

Notes:

Assumes a swap rate of 4.55% (50 b.p. over current market BMA swap rates)  
plus LOC fee of 60 b.p. and remarketing and trustee fees of 10 b.p.

RESERVE FUND

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$42,000,000 Project Fund

Capitalized Interest thru 3/1/11 (CAPINT)

Date	Deposit	Interest @ 5.25%	Principal	Scheduled Draws	Balance
03/01/2009	5,035,490.50				5,035,490.50
09/01/2009		132,181.63	1,210,374.62	1,342,556.25	3,825,115.88
03/01/2010		100,409.29	1,242,146.96	1,342,556.25	2,582,968.92
09/01/2010		67,802.93	1,274,753.32	1,342,556.25	1,308,215.60
03/01/2011		34,340.66	1,308,215.59	1,342,556.25	0.01
	5,035,490.50	334,734.51	5,035,490.49	5,370,225.00	

Yield To Receipt Date: 5.2499998%  
 Arbitrage Yield: 5.2500000%  
 Value of Negative Arbitrage: 0.01

RESERVE FUND

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$42,000,000 Project Fund

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5.25%	Principal	Debt Service	Balance
03/01/2009	3,475,112.50				3,475,112.50
09/01/2009		91,221.70		-91,221.70	3,475,112.50
03/01/2010		91,221.70		-91,221.70	3,475,112.50
09/01/2010		91,221.70		-91,221.70	3,475,112.50
03/01/2011		91,221.70		-91,221.70	3,475,112.50
09/01/2011		91,221.70		-91,221.70	3,475,112.50
03/01/2012		91,221.70		-91,221.70	3,475,112.50
09/01/2012		91,221.70		-91,221.70	3,475,112.50
03/01/2013		91,221.70		-91,221.70	3,475,112.50
09/01/2013		91,221.70		-91,221.70	3,475,112.50
03/01/2014		91,221.70		-91,221.70	3,475,112.50
09/01/2014		91,221.70		-91,221.70	3,475,112.50
03/01/2015		91,221.70		-91,221.70	3,475,112.50
09/01/2015		91,221.70		-91,221.70	3,475,112.50
03/01/2016		91,221.70		-91,221.70	3,475,112.50
09/01/2016		91,221.70		-91,221.70	3,475,112.50
03/01/2017		91,221.70		-91,221.70	3,475,112.50
09/01/2017		91,221.70		-91,221.70	3,475,112.50
03/01/2018		91,221.70		-91,221.70	3,475,112.50
09/01/2018		91,221.70		-91,221.70	3,475,112.50
03/01/2019		91,221.70		-91,221.70	3,475,112.50
09/01/2019		91,221.70		-91,221.70	3,475,112.50
03/01/2020		91,221.70		-91,221.70	3,475,112.50
09/01/2020		91,221.70		-91,221.70	3,475,112.50
03/01/2021		91,221.70		-91,221.70	3,475,112.50
09/01/2021		91,221.70		-91,221.70	3,475,112.50
03/01/2022		91,221.70		-91,221.70	3,475,112.50
09/01/2022		91,221.70		-91,221.70	3,475,112.50
03/01/2023		91,221.70		-91,221.70	3,475,112.50
09/01/2023		91,221.70		-91,221.70	3,475,112.50
03/01/2024		91,221.70		-91,221.70	3,475,112.50
09/01/2024		91,221.70		-91,221.70	3,475,112.50
03/01/2025		91,221.70		-91,221.70	3,475,112.50
09/01/2025		91,221.70		-91,221.70	3,475,112.50
03/01/2026		91,221.70		-91,221.70	3,475,112.50
09/01/2026		91,221.70		-91,221.70	3,475,112.50
03/01/2027		91,221.70		-91,221.70	3,475,112.50
09/01/2027		91,221.70		-91,221.70	3,475,112.50
03/01/2028		91,221.70		-91,221.70	3,475,112.50
09/01/2028		91,221.70		-91,221.70	3,475,112.50
03/01/2029		91,221.70		-91,221.70	3,475,112.50
09/01/2029		91,221.70		-91,221.70	3,475,112.50
03/01/2030		91,221.70		-91,221.70	3,475,112.50
09/01/2030		91,221.70		-91,221.70	3,475,112.50
03/01/2031		91,221.70		-91,221.70	3,475,112.50
09/01/2031		91,221.70		-91,221.70	3,475,112.50
03/01/2032		91,221.70		-91,221.70	3,475,112.50
09/01/2032		91,221.70		-91,221.70	3,475,112.50
03/01/2033		91,221.70		-91,221.70	3,475,112.50
09/01/2033		91,221.70		-91,221.70	3,475,112.50
03/01/2034		91,221.70		-91,221.70	3,475,112.50

RESERVE FUND

Florida Atlantic University  
 Stadium Project, Series 2009  
 \$42,000,000 Project Fund

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5.25%	Principal	Debt Service	Balance
09/01/2034		91,221.70		-91,221.70	3,475,112.50
03/01/2035		91,221.70		-91,221.70	3,475,112.50
09/01/2035		91,221.70		-91,221.70	3,475,112.50
03/01/2036		91,221.70		-91,221.70	3,475,112.50
09/01/2036		91,221.70		-91,221.70	3,475,112.50
03/01/2037		91,221.70		-91,221.70	3,475,112.50
09/01/2037		91,221.70		-91,221.70	3,475,112.50
03/01/2038		91,221.70		-91,221.70	3,475,112.50
09/01/2038		91,221.70		-91,221.70	3,475,112.50
03/01/2039		91,221.70		-91,221.70	3,475,112.50
09/01/2039		91,221.70		-91,221.70	3,475,112.50
03/01/2040		91,221.70		-91,221.70	3,475,112.50
09/01/2040		91,221.70	3,475,112.50	-3,566,334.20	
	3,475,112.50	5,746,967.10	3,475,112.50	-9,222,079.60	

Yield To Receipt Date: 5.2499998%  
 Arbitrage Yield: 5.2500000%  
 Value of Negative Arbitrage: 0.11

NET DEBT SERVICE

Florida Atlantic University  
Stadium Project, Series 2009  
\$42,000,000 Project Fund

Period Ending	Total Debt Service	General Fund	Capitalized Interest thru 3/1/11	Debt Service Reserve Fund	Net Debt Service
09/01/2009	1,342,556.25	-91,221.70	1,342,556.25	91,221.70	
09/01/2010	2,685,112.50	-182,443.40	2,685,112.50	182,443.40	
09/01/2011	2,685,112.50	273,665.10	1,342,556.25	182,443.40	886,447.75
09/01/2012	3,475,112.50			182,443.40	3,292,669.10
09/01/2013	3,473,637.50			182,443.40	3,291,194.10
09/01/2014	3,470,062.50			182,443.40	3,287,619.10
09/01/2015	3,474,387.50			182,443.40	3,291,944.10
09/01/2016	3,471,087.50			182,443.40	3,288,644.10
09/01/2017	3,470,425.00			182,443.40	3,287,981.60
09/01/2018	3,472,137.50			182,443.40	3,289,694.10
09/01/2019	3,470,962.50			182,443.40	3,288,519.10
09/01/2020	3,471,900.00			182,443.40	3,289,456.60
09/01/2021	3,474,687.50			182,443.40	3,292,244.10
09/01/2022	3,474,062.50			182,443.40	3,291,619.10
09/01/2023	3,475,025.00			182,443.40	3,292,581.60
09/01/2024	3,472,312.50			182,443.40	3,289,869.10
09/01/2025	3,470,925.00			182,443.40	3,288,481.60
09/01/2026	3,470,600.00			182,443.40	3,288,156.60
09/01/2027	3,471,075.00			182,443.40	3,288,631.60
09/01/2028	3,472,087.50			182,443.40	3,289,644.10
09/01/2029	3,473,375.00			182,443.40	3,290,931.60
09/01/2030	3,474,675.00			182,443.40	3,292,231.60
09/01/2031	3,470,725.00			182,443.40	3,288,281.60
09/01/2032	3,471,525.00			182,443.40	3,289,081.60
09/01/2033	3,471,550.00			182,443.40	3,289,106.60
09/01/2034	3,470,537.50			182,443.40	3,288,094.10
09/01/2035	3,473,225.00			182,443.40	3,290,781.60
09/01/2036	3,474,087.50			182,443.40	3,291,644.10
09/01/2037	3,472,862.50			182,443.40	3,290,419.10
09/01/2038	3,474,287.50			182,443.40	3,291,844.10
09/01/2039	3,472,837.50			182,443.40	3,290,394.10
09/01/2040	3,473,250.00			3,657,555.90	-184,305.90
	107,416,206.25	0.00	5,370,225.00	9,222,079.60	92,823,901.65



## **INTRODUCTION**

**C.H. Johnson Consulting** (Johnson Consulting) is a nationally recognized authority on stadiums, arenas, and university development projects. The firm works nationally and internationally for universities, cities and counties, and private sector developers. Locally, Johnson Consulting has worked on projects in Palm Beach County as the County's representative in reviewing developer proposals to construct a 400 room convention center headquarters hotel in West Palm Beach (2004) and later in assessing the parking requirements for that hotel (2006).

Nationally, the firm recently completed work on a university football stadium and arena for Delaware State University in Dover, Delaware as well as work on a new football stadium for The Citadel in Charleston, SC, the University of Northern Iowa's new McLeod Center, a 6,500 seat multi-purpose arena, and a new arena for California State University-Sacramento.

In Florida, Johnson Consulting delivered comprehensive market and financial analysis reports for the new football stadiums at Florida International University (2006) and University of Central Florida (2005). We also provided UCF with reports on a new convocation center and student housing as well as providing Florida State University with some student housing consulting. Johnson Consulting is one of the top consulting firms nationally, serving universities and municipalities.

**Focus Real Estate Advisors** (Focus Advisors) is a South Florida-based real estate consulting and strategic advisory company with over thirty years of experience. The firm's experience spans all phases of the project cycle, from site selection and concept formulation to financial analysis and implementation. Our consulting experience includes assignments throughout the Country, but many of our projects are Florida-based. Locally we have worked with numerous banks and developers on project due diligence and program design.

**Johnson Consulting** and **Focus Advisors** are submitting this report presenting a market and financial analysis for an on-campus additional student housing at the Florida Atlantic University (FAU) on its main campus in Boca Raton, Palm Beach County, Florida. The addition of more student housing will compliment the other developments proposed for the Boca Raton campus as part of the Innovation Village project, including the proposed football stadium and a retail center. Innovation Village would join the new Alumni Center and 600 bed teaching hospital projects (in conjunction with the University of Miami) currently being undertaken to generate the more vibrant, traditional campus sought by FAU. The analysis includes estimates of demand for the new housing as well as its projected operating financial performance.

## Objectives of the Study

Johnson Consulting has undertaken a program of services designed to accomplish the following major objectives:

- To communicate the transaction structure, in order to isolate demand, revenue and expense factors pertinent to the housing project specifically,
- To provide an evaluation of FAU current housing and future needs as well as demand and market support patterns within the competitive area for the student housing,
- To identify and evaluate the competitive environment for housing in the Boca Raton area,
- To independently estimate achievable absorption potential for the new student housing beds, and
- To present a projection of revenue and expenses associated with adding new housing.

In addition to this introduction and methodology review the balance of this section evaluates the proposed site and its basic demographics; the remaining report contains the following sections:

- **Section 2** presents an overview of the regional economy and its housing market as a framework for further analysis of FAU's housing market.
- **Section 3** presents an analysis of the FAU supply of and demand for housing and the potential for the new housing component of the Innovation Village proposal.
- **Section 4** presents the projections that result from the preceding analysis and the recommendations derived from that analysis and those projections.
- **Section 5** presents additional Appendices used in the analysis as well as a brief overview of the Palm Beach County housing market as it relates to the possible development of "workforce" housing for FAU.

## Approach / Methodology

In order to accomplish these objectives, the program of analysis conducted by Johnson Consulting has undertaken the following research tasks:

- Interviewed stakeholders to understand the existing student housing offerings, perceived student housing needs, project interrelationships, and distribution of cash flows,



- Analyzed the proposed site and surrounding on- and off-campus development patterns and transportation access relative to factors which influence market support and demand penetration,
- Examined and projected regional economic trends relevant to population growth and changes in housing options for consumers who may use the new housing,
- Interviewed current housing officials, and other university representatives in order to gather information about expectations for the future of FAU housing programming,
- Identified and examined relevant competitive and/or comparable housing projects within the FAU market area,
- Revised KUD's and administration's internal analysis and reflected on their assumptions, and
- This report is the result of this evaluation, together with supporting data and documentation including projected results of financial operations.

## **SITE EVALUATION**

Location and physical characteristics of the subject property are important factors, which influence development opportunities, project marketing and absorption of residential products. Such factors as access, surrounding land uses, support services, and physical site features will impact either positively or negatively upon overall development opportunities and market potential. Observations and key findings relevant to the subject site are discussed in this section.

### **Location, Accessibility and Visibility**

The proposed site is on the Florida Atlantic University's main campus in Boca Raton, Florida. The campus contains a range of facilities developed over FAU's 43-year history. The campus is within four miles of South Florida's two major north/south highways (I-95 and the Florida Turnpike) affording excellent regional accessibility.

Below in Figure 1-1 both I-95 and the Florida Turnpike are shown as affording excellent access to the major regions of South Florida and provide commuters with direct routes to the main campus. The main campus is approximately 20 miles south of Palm Beach International Airport and 15 miles north of Fort Lauderdale/Hollywood International Airport.

Figure 1-1



## **The Site**

The proposed Innovation Village with its Housing component is located on the northwest side of the main campus area proximate to the campus' main circumferential roadway. The current plan anticipates an additional 1,545 beds (phased over time) in addition to a football stadium and up to approximately 130,000 square feet of new retail space.

The site's on-campus location affords the proposed project accessibility and visibility to prospective and existing students. Although FAU's main campus currently has a modest (3,500 square foot) fitness center and minimal recreational facilities, groundbreaking for a new fitness center recently occurred. The new fitness center is expected to be a 38,000 square foot facility, including a gym, two indoor basketball courts, volleyball courts, badminton courts, and two multipurpose rooms for yoga, aerobics, Pilates and spinning. The plans also include a second phase which would expand the building to up to 140,000 square feet including a pool, more fitness equipment and possibly a spa and sauna. The second phase is not under construction and money has not been earmarked for the proposed expansion.

## **Retail and Services**

FAU currently does not have a wide variety of retail services and restaurants available to students on-campus, but that is expected to change with the construction of the stadium and retail space. However, within a one-mile radius of the main campus, students have access to an extensive variety of convenience goods and service stores including groceries, drug stores, gas stations, banks, and fast food outlets. Several major community retail centers and one regional mall (Town Center) are also located within one-mile of the main campus.

## **Summary**

The on-campus location of the proposed housing will afford advantages over off-campus alternatives, especially once the Innovation Village Master Plan is underway. Currently, the location does afford students proximity and access to all campus facilities, but the Innovation Village Master Plan will meet students' preference for campus life and social environment. Physical integration of the project within the campus framework and the future construction of retail space and football stadium will afford significant advantages over off-campus facilities. The extensive array of convenience shopping, community and regional retail, entertainment, restaurants and services along the major arterial roads adjacent to the campus are equally accessible to the on-campus site as are most off-campus apartments.

## REGIONAL ECONOMY AND HOUSING MARKET FRAMEWORK

### Introduction

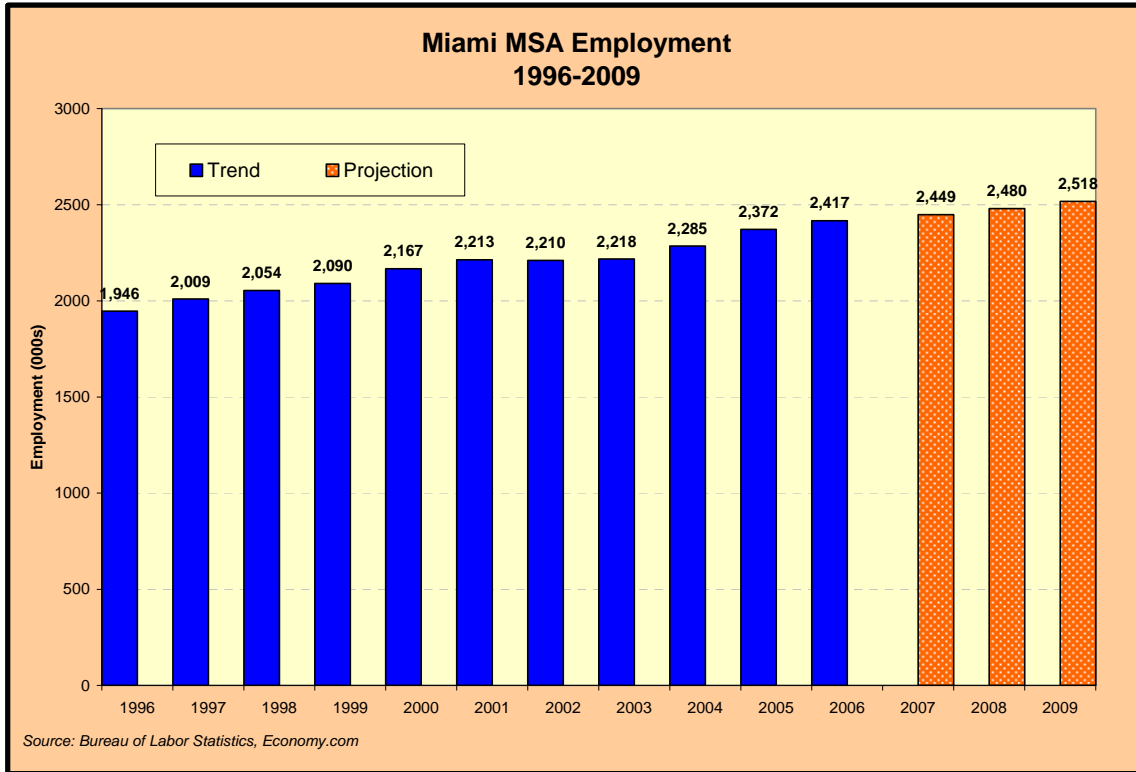
Market support and financial feasibility for most urban land-uses are ultimately derived from economic characteristics and growth in regional and sub-regional market areas. This may be expressed in terms of changes in factors such as population and employment growth, demographic characteristics, and household composition. Within this context, the development potential of any particular land-use is influenced by the overall economic environment of regional and sub-regional areas. The following paragraphs provide a review of the economic environment of the Miami-Fort Lauderdale-Miami Beach metropolitan statistical area ("Miami MSA"), which is synonymous with Palm Beach, Broward and Miami-Dade counties. Since the development is located within Palm Beach County, we will also analyze the trends and data for the singular county, which is also known as the West Palm Beach-Boca Raton-Boynton Beach metropolitan division.

### Employment

The economy of the Miami MSA is relatively diverse, but the MSA does contain a heavy concentration in the service sector. More recently, the region has experienced stronger growth in the construction and housing-related sectors, technology and financial services, and is also benefiting from attracting a considerable biotechnology presence. Additionally, international trade and commerce and foreign in-migration represent a unique influence on the Miami-Dade economy and its housing market - in some respects Miami-Dade is more influenced by international factors than domestic US economics.

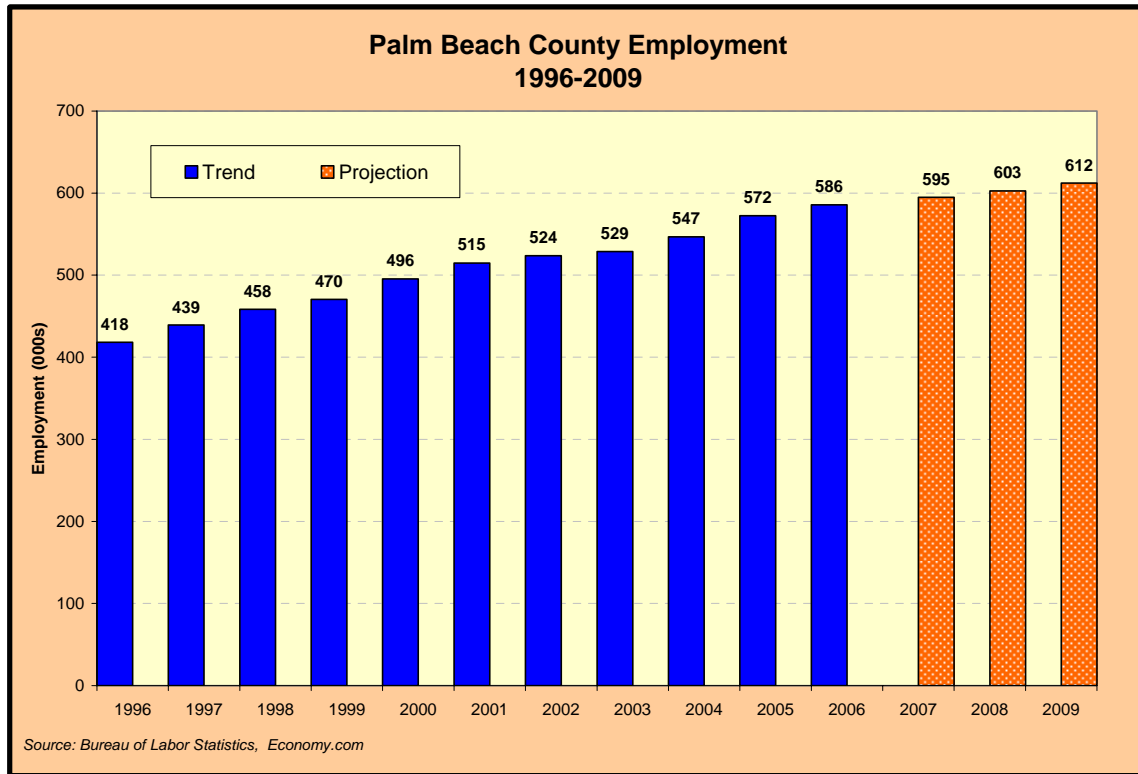
Below in Table 2-1, Non-agricultural wage and salary employment in the Miami MSA has moderated from the rapid pace of growth in 2004-2005. This rapid growth is attributed to the boom in the housing and construction market and related businesses in the region. Employment increased 3.0% and 3.8% in 2004 and 2005, respectively, adding 67,000 jobs in 2004 and 86,900 jobs in 2005. The pace of job growth moderated in 2006 in response to the slowdown across the housing market, and the MSA added 45,000 jobs, a 1.9% increase from the previous year. This moderation has continued in 2007, with employment growth up 2.3% year over year in June, a twelve-month addition of 30,700 jobs.

Table 2-1



As shown in Table 2-2 below, the employment trend in Palm Beach County is similar to the Miami MSA with employment increasing a rapid 4.9% and 3.2% in 2004 and 2005, respectively. After increasing a slower 1.7% (an addition of 13,300 jobs) in 2006, job growth in Palm Beach County has picked up slightly in 2007. The county has added 11,600 jobs in the twelve-month period ending in June, a 2.0% year over year increase.

Table 2-2



Most employment projections indicate a continued moderation in employment growth for the Miami MSA over the next year, as weak housing markets effect both the economy and population growth. In 2009, however, economic growth is expected to improve with the region experiencing steady, but modest job growth. Palm Beach County is expected to follow a similar trend.

In summary, the near term outlook for employment growth in the Miami MSA economy is for modest job growth, while the longer-term outlook is more positive. However, future expansion may not match the very high rates of growth experienced during the 2004-2005 expansion.

Average annual wages in key growth sectors in the Miami MSA compare favorably with wage levels statewide. Selected industry sector comparisons, based on the Bureau of Labor and Employment Services are shown below in Table 2-3:

**Table 2-3**

<b>Industry Sector</b>	<b>Miami-Dade County</b>	<b>Broward County</b>	<b>Palm Beach County</b>	<b>Florida</b>
Construction	\$44,363	\$44,501	\$43,441	\$40,743
Manufacturing	\$38,828	\$49,794	\$55,054	\$45,735
Trade/Transportation/Utilities	\$38,908	\$37,894	\$35,727	\$35,302
Information	\$61,276	\$63,188	\$54,971	\$55,002
Financial Activities	\$63,302	\$54,707	\$66,083	\$54,485
Professional and Business Services	\$51,468	\$45,705	\$50,360	\$41,675
Education and Health Services	\$40,628	\$40,518	\$42,090	\$39,807
Leisure and Hospitality	\$24,551	\$18,637	\$21,104	\$20,050
Other Services	\$25,788	\$28,077	\$29,313	\$26,986
Local Government	\$58,509	\$49,820	\$50,460	\$45,762

Source: Bureau of Labor Statistics, July 2007

## Population

The Miami MSA’s population grew by an estimated average of approximately 72,400 persons per year from 2000 to 2006. The current estimated population in the Miami MSA is about 5.5 million. The area has sustained continued growth in population albeit with a reduced rate of increase from prior years.

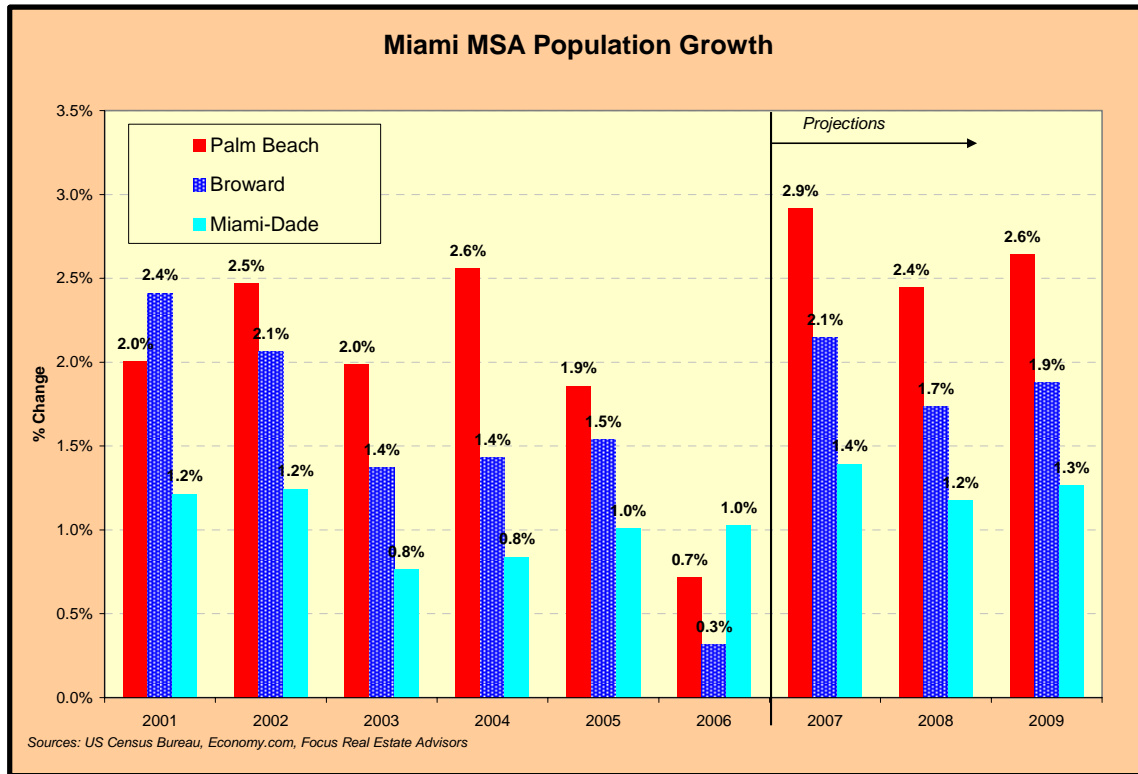
Palm Beach County, which represents approximately 23% of the Miami MSA total population, grew by an estimated average of approximately 23,000 persons per year, slightly outpacing the Miami MSA total in terms of percentage increases. Palm Beach County’s population growth slowed significantly in 2006, owing primarily to the lack of housing affordability in the region.

Over the next three years (2007-2009), the Miami MSA population is projected to increase at an average annual rate of about 1.8%, or approximately 98,000 persons per year, climbing to over 5.7 million by 2009. Similarly, Palm Beach County’s population is expected to climb, growing by approximately 35,000 persons per year over the next three years, an average of 2.7% per year. Palm Beach County’s population growth is expected to outpace both Broward and Miami-Dade County owing primarily to the availability of land for new development (Broward and Miami-Dade are practically built-out).

As shown in Table 2-4, population growth in the Miami MSA is expected to outpace the nation and remain on-par with the state average. However, the population growth in Palm Beach County is expected to be considerably higher than the state and national average, owing to the availability of land.

In-migration driven by job growth throughout the entire MSA will continue to represent the dominant component of population in the future. This in-migration will be driven both by availability of jobs and retiree migration.

Table 2-4



## The Hurricanes

The 2004 and 2005 hurricane seasons were the worst on record in the State of Florida with four major storms making landfall in the State in 2004 and two major storms making landfall in 2005. Last year the State was spared from any major hurricanes making landfall, but hurricane experts believe the weather patterns are ripe for many more hurricanes making landfall over the next decade. Already as a result of the 2004 and 2005 hurricane season, homeowners insurance rates skyrocketed, and many insurers left the market, leaving homeowners no choice but to apply for the state-funded insurance plan.

The higher insurance premiums and threat of more hurricanes have led many pundits to wonder what effect the more active hurricane seasons may have on future in-migration to the state. We strongly believe the increased possibility of hurricanes will not have a significant effect on future in-migration to Florida.

## Household Growth

While employment and population are the key measure of regional and sub-regional growth, household growth and changes in the composition and characteristics of households are primary factors influencing housing demand. The number of households



in the Miami MSA increased 6.3% from 2000 to 2007. Miami-Dade County and Broward County households increased 5.4% and 5.2%, respectively, while Palm Beach County households increased a more rapid 9.2%. This reflects the lack of available housing in Miami-Dade and Broward Counties, resulting in families moving north to Palm Beach County, where land is still available.

According to Claritas, the pre-eminent source of demographic data, and shown in Table 2-5 below, there were about 2.1 million households in the Miami MSA in 2007, representing an increase of about 174,000 households since 2000, amounting to an average annual increase of approximately 25,000. Average household size in the Miami MSA is currently 2.61.

The number of households in the Miami MSA is projected to increase by an average of about 19,000 annual through 2012. The slower pace is owing to the lack of land available for new development in Broward and Miami-Dade counties.

**Table 2-5  
Miami MSA Household Growth  
Trends and Projections by County**

	<b>Miami-Dade County</b>	<b>Broward County</b>	<b>Palm Beach County</b>	<b>MSA Total</b>
<b><i>Trend</i></b>				
1990	692,355	528,442	365,558	1,586,355
2000	776,774	654,445	474,175	1,905,394
2007	826,557	708,734	543,889	2,079,180
2000-2007 Period Change	49,783	54,289	69,714	173,786
2000-2007 Annual Change	7,112	7,756	9,959	24,827
<b><i>Projection</i></b>				
2007-2012 Period Change	44,281	36,935	49,952	131,168
2007-2012 Annual Change	8,856	7,387	9,990	26,234

Source: Claritas, Focus Real Estate Advisors, LLC

## Age

Persons in the 25 to 44 year old age group represent the largest segment of the Miami MSA population, but it is also the only segment that has experienced a decline over the last seven years. This age cohort declined by a total of 51,000 persons from 2000 to 2007, partially reflecting the high cost of housing for the working-age population. The largest increase has occurred in the 45 to 64 age segment, representing the large number of second-home buyers and older, more established working residents. This group increased from 22% of the population in 2000 to an estimated 25% of the population in 2007. Table 2-6 below depicts these age distributions:

**Table 2-6  
Population Age Distribution  
Miami MSA**

Age Group	2000		2007		2000-2007		2000-2007
	Total	% Dist.	Total	% Dist.	Total	% Dist.	% Change
<=14	988,407	19.7%	1,087,174	19.7%	98,767	19.2%	10.0%
15-24	590,762	11.8%	711,245	12.9%	120,483	23.4%	20.4%
25-44	1,513,851	30.2%	1,462,733	26.5%	-51,118	-9.9%	-3.4%
45-64	1,090,807	21.8%	1,386,678	25.1%	295,871	57.5%	27.1%
65+	823,737	16.4%	874,239	15.8%	50,502	9.8%	6.1%
<b>Total</b>	<b>5,007,564</b>	<b>100.0%</b>	<b>5,522,069</b>	<b>100.0%</b>	<b>514,505</b>	<b>100.0%</b>	<b>10.3%</b>

Source: Claritas, Focus Real Estate Advisors, LLC

**INCOME TRENDS**

Household income levels by County with the Miami MSA are illustrated below in Tables 2-7. As shown, Palm Beach County households have the highest incomes in the MSA, reflecting greater percentages of professional and managerial employees and seasonal/second-home buyers. Miami-Dade County has the lowest household income levels, reflecting the large number of low-wage employees and immigrants in the county.

**Tables 2-7  
Miami MSA Household Income Characteristics  
Trends by County**

	Miami-Dade County	Broward County	Palm Beach County	MSA Total
2000	\$36,100	\$42,032	\$45,069	\$40,230
2007	\$41,483	\$49,023	\$51,631	\$46,613

Miami MSA Household Distribution by Income	
<\$25,000	26%
\$25,000-\$34,999	12%
\$35,000-\$49,999	16%
\$50,000-\$74,999	18%
\$75,000-\$99,999	11%
\$100,000 +	18%
<b>Total</b>	<b>100%</b>

Source: Claritas, Focus Real Estate Advisors, LLC

## Housing Demand

The remainder of this report will concentrate primarily on Palm Beach County. While the job base and population growth of the three counties of the Miami MSA are closely linked, the housing is best analyzed separately using the smaller geographic area that better equates to the FAU housing market.

Employment, population and household growth analyses indicated steady growth in demand for housing in Palm Beach County. Housing demand in the county through 2012 is estimated at approximately 62,900 units or an average of about 12,580 units per year, based on projected household growth and allowing for replacement housing, second home demand and normal vacancy patterns. These demand projections are further demonstrated in the following Table 2-8.

**Table 2-8**

<b>Projected Housing Demand Palm Beach County, 2006</b>	
Projected Household Increase	52,900
Allowance for Vacancy <sup>(a)</sup>	3,100
Allowance for Inventory Replacement <sup>(b)</sup>	1,600
Estimated Seasonal/Short-term Demand <sup>(c)</sup>	5,300
<b>Total Housing Demand</b>	<b>62,900</b>
<b>Average Annual Housing Demand</b>	<b>12,580</b>
 <b><i>Housing Demand by Type</i></b>	
Owner ('for sale')	9,500
Single-Family	4,370
Multifamily	4,845
 <b><i>Rental Apartment</i></b>	 <b>3,080</b>
 Mobile Home	 285
 (a) Assumes 6% of total new households	
(b) Assumes 3% of total new households	
(c) Assumes 10%	
 Source: Claritas, Focus Real Estate Advisors, LLC	

## **Rental Apartment Demand**

Based on historical housing tenure patterns, rental housing is estimated to represent approximately 25% of total demand. On this basis, the area's net increase in rental housing demand is estimated at approximately 15,725 total units for the next 5-year period or an average of about 3,080 units per year through 2012.

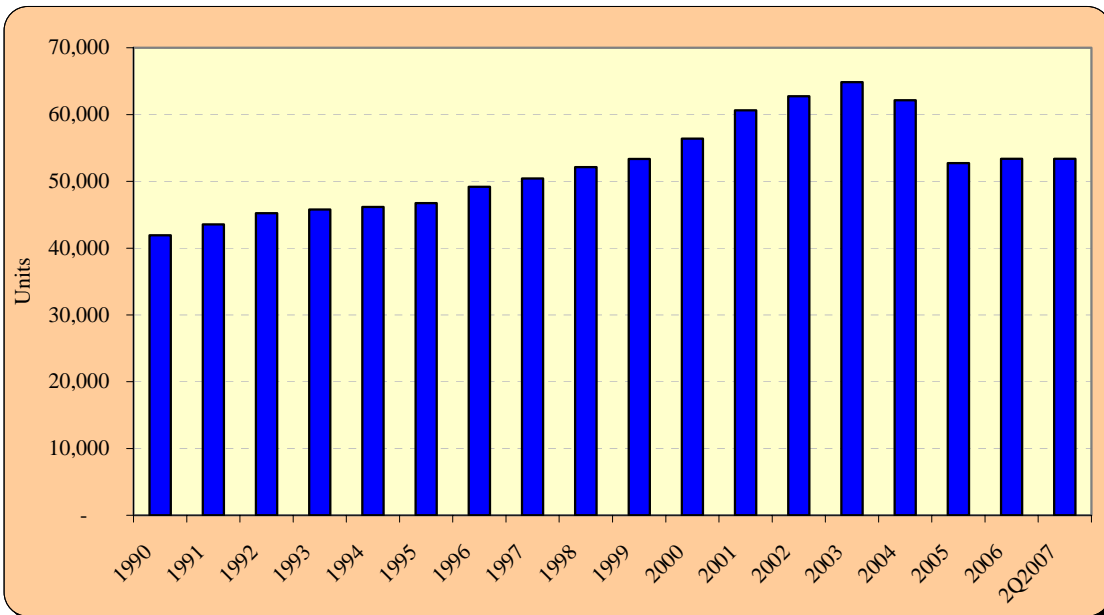
## **Palm Beach County Apartment Market Trends**

The following paragraphs address general apartment market trends and conditions in the Palm Beach County area, and detail current conditions in the Boca Raton East submarket, which encompasses the region east of Military Trail to the ocean, north of the county line, and south of Linton Boulevard. However, the Boca Raton East submarket is one of the premier apartment submarkets in Palm Beach County - commanding the highest rents and maintaining one of the lowest vacancy rates. Although FAU is located in this submarket, the high rental rates price many students out of this off-campus market, forcing them to locate in apartments scattered around the county. Therefore, the apartment market trends for Palm Beach County as a whole is more relevant to the FAU housing. The analysis focuses on rental apartment complexes with 100 units or more, which are surveyed each quarter by REIS, a leader in the real estate information services industry.

**Table 2-9**

**Rental Apartment Stock**  
Palm Beach County

	<b>Year-End Inventory</b>	<b>Conversions</b>	<b>% Change Inventory</b>
1990	41,911		
1991	43,568	n/a	4.0%
1992	45,234	n/a	3.8%
1993	45,780	n/a	1.2%
1994	46,172	n/a	0.9%
1995	46,751	n/a	1.3%
1996	49,178	n/a	5.2%
1997	50,442	n/a	2.6%
1998	52,151	n/a	3.4%
1999	53,334	n/a	2.3%
2000	56,390	n/a	5.7%
2001	60,624	n/a	7.5%
2002	62,750	n/a	3.5%
2003	64,829	-659	3.3%
2004	62,131	-4710	-4.2%
2005	52,756	-9195	-15.1%
2006	53,375	-311	1.2%
2Q2007	53,375		0.0%
Avg. 1991-2006			1.7%
Avg. 2000-2006			0.3%



Sources: REIS, Focus Real Estate Advisors, LLC

As shown on the above Table 2-9, the inventory of major rental apartments in Palm Beach County was estimated to include 275 complexes containing approximately 53,375 units at the end of the second quarter 2007. The Boca Raton East submarket contains 45 buildings with approximately 4,000 units, representing 7.4% of the metro total apartment inventory.

Palm Beach County experienced two construction cycles over the past 15 years. Rental apartment construction expansion during these cycles extended over three and five year periods, respectively. The first, more muted cycle began in 1990 and lasted through 1992. During this time, the county added just over 6,000 new apartment units to existing inventory, an increase of 8.0%. After slowing for the next three years (1993 to 1995), construction activity picked up again, albeit at a slower pace. The county added approximately 1,600 units per year for the next four years (1996 to 1999) to existing inventory. The Boca Raton East submarket has experienced only minimal construction activity in recent years, owing to the lack of developable land. Only one apartment project - Royal Palm Place (169 units) has opened in the last three years.

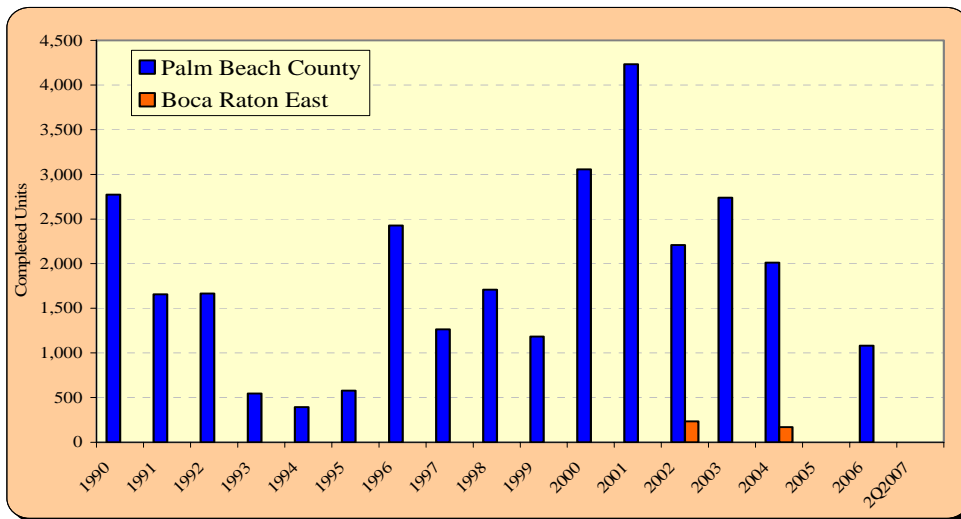
With vacancies in the county well-below 5% in the late 1990s, construction activity picked up in 2000 at the start of the region's second and stronger construction cycle of the past 15 years. Indeed, from 2000 to 2004, Palm Beach County added over 14,000 units to existing apartment inventory, an increase of 10% over the four year period. More recently, construction activity in the region has ground to a halt with no new apartments in 2005, 1,085 units in 2006, and no new apartments as of the second quarter 2007. The slowdown in construction is a response to the increase construction and land costs in the county as well as the moderation in apartment demand.

Table 2-10 on the following page depicts the additions to the rental housing inventory over the past 15 years.

Table 2-10

**Additions to Rentable Apartment Inventory by Year**  
Palm Beach County & Boca Raton East Submarket

Year	Palm Beach County		Boca Raton East	
	Completions	% of Total Inv.	Completions	% of Total Inv.
1990	2,772	6.6%	n/a	
1991	1,657	3.8%	n/a	
1992	1,666	3.7%	n/a	
1993	546	1.2%	n/a	
1994	392	0.8%	n/a	
1995	579	1.2%	n/a	
1996	2,427	4.9%	n/a	
1997	1,264	2.5%	n/a	
1998	1,709	3.3%	n/a	
1999	1,183	2.2%	n/a	
2000	3,056	5.4%	n/a	
2001	4,234	7.0%	n/a	
2002	2,209	3.5%	235	58.2%
2003	2,738	4.2%	0	0.0%
2004	2,012	3.2%	169	41.8%
2005	0	0.0%	0	0.0%
2006	1,080	2.0%	0	0.0%
2Q2007	0	0.0%	0	0.0%
<b>TOTAL:</b>	<b>29,524</b>		<b>404</b>	



Sources: REIS, Focus Real Estate Advisors, LLC

It should also be noted that the vast majority of the apartment offerings in the area are older units. More specifically, approximately 23% of Palm Beach County’s apartment inventory was built after 1999. The majority (66%) was built between 1980 and 1999. The majority of apartment stock in the Boca Raton East submarket was constructed before 1989. Only 18% of apartment inventory was built after 1999.

## Rents and Occupancy

Average effective rents in Palm Beach County have increased rapidly over the last three years as a large number of apartment projects converted to for-sale condominiums. REIS estimates over 14,000 units in Palm Beach County converted from 2003 to 2006. These conversions drastically reduced the number of apartments in the region, thus allowing operators to increase rents on the remaining apartment units in the county. Average effective rents increased from \$942 in 2004 to \$1,048 in 2006, an average annual increase of 5.2%. However, as the market for converted apartments weakened, many of the condominium conversions have reverted back to apartments, increasing the supply of apartments. As a result of more supply, rent appreciation has moderated, and as of the second quarter of 2007, the average effective rent in Palm Beach County was \$1,049 – a 1.3% year over year increase, but a slight decline (0.5%) from the previous quarter.

The average asking rent in Palm Beach County was a slightly higher \$1,110 in the second quarter of 2007, indicating the slight use of concessions in the region.

In the Boca Raton East submarket, effective rents have experienced a similar pattern, increasing rapidly over the last three years then moderating in 2007. However, rents in this submarket are the highest in the county. The second quarter effective rent in the Boca Raton East submarket was \$1,235, a 1.2% increase from the previous year. Average asking rents in the Boca Raton East submarket were a slightly higher \$1,287 in the second quarter of 2007, indicating the use of concessions.

Effective rents in the county are expected to increase in the range of 2.0% to 3.0% over the next five years. Effective rents in the Boca Raton East submarket are expected to increase at a slightly higher pace than the county, owing to the lack of supply and premium placed on properties closer to the ocean. Rental apartment vacancy in Palm Beach County as of the second quarter 2007 was 7%, according to REIS, showing a strong increase from the year-ago period of 4.2%. Much of this is owing to the large amount of inventory that was previously for-sale (conversions) and is now returning to the market. Although the current vacancy rate in the market is relatively high, it is below the peak experienced in 2002 and 2003 of 8.7% and 9.7%, respectively. The second-quarter vacancy rate in the Boca Raton East submarket was a lower 5.2%, a slight decline from the year-ago rate of 5.9%. The Boca Raton East submarket has maintained a vacancy rate in the 5% to 7% range throughout the last five years. We expect this trend to continue given the lack of new construction and established nature of the submarket.

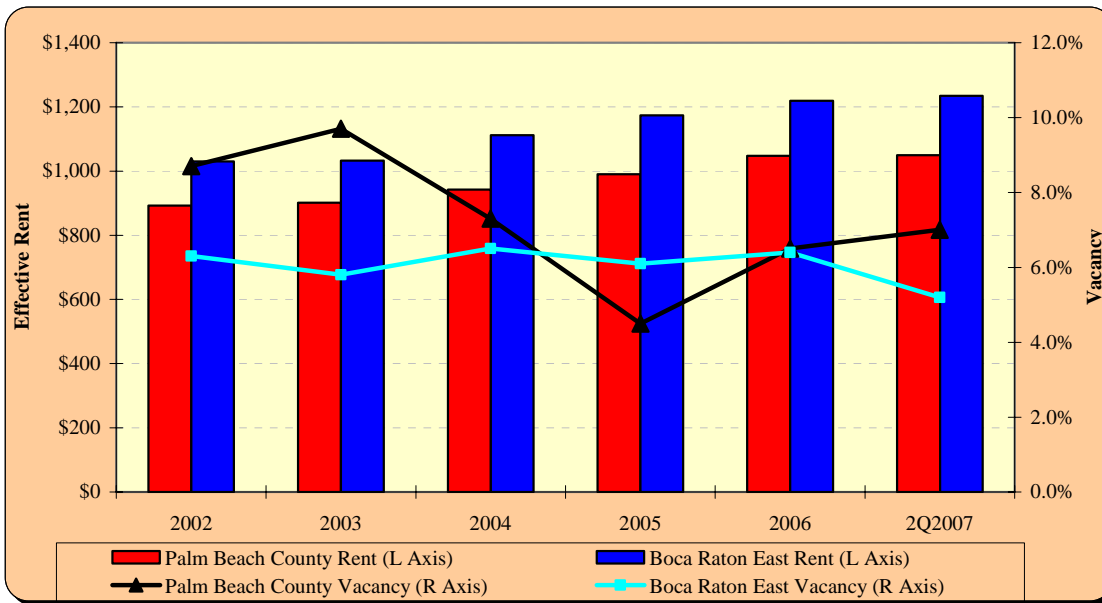
Table 2-11 on the following page tracks these trends in rents and occupancy over the last 15 years as described in the above text.



Table 2-11

**Apartment Rents and Vacancy Trends**  
Palm Beach County & Boca Raton East Submarket

Year	Palm Beach County		Boca Raton East	
	Effective Rent	Vacancy	Effective Rent	Vacancy
1990	\$613	7.4%	n/a	
1991	\$619	6.2%	n/a	
1992	\$653	4.1%	n/a	
1993	\$689	4.5%	n/a	
1994	\$711	4.1%	n/a	
1995	\$727	4.3%	n/a	
1996	\$766	2.6%	n/a	
1997	\$790	2.9%	n/a	
1998	\$806	2.7%	n/a	
1999	\$834	3.9%	n/a	
2000	\$856	5.2%	n/a	
2001	\$895	5.9%	n/a	
2002	\$893	8.7%	\$1,030	6.3%
2003	\$901	9.7%	\$1,033	5.8%
2004	\$942	7.3%	\$1,112	6.5%
2005	\$990	4.5%	\$1,174	6.1%
2006	\$1,048	6.5%	\$1,219	6.4%
2Q2007	\$1,049	7.0%	\$1,235	5.2%
Avg. 1990-2006	\$820		n/a	
Avg. 2000-2006	\$932		\$1,114	



Sources: REIS, Focus Real Estate Advisors, LLC

**Unit Mix**

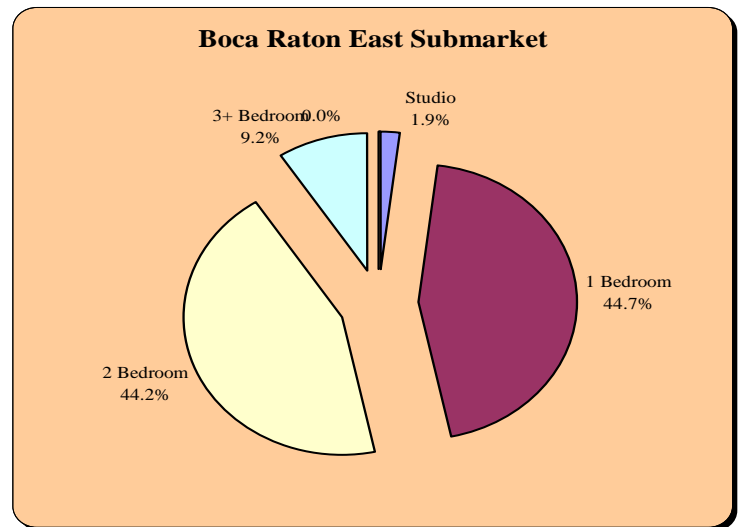
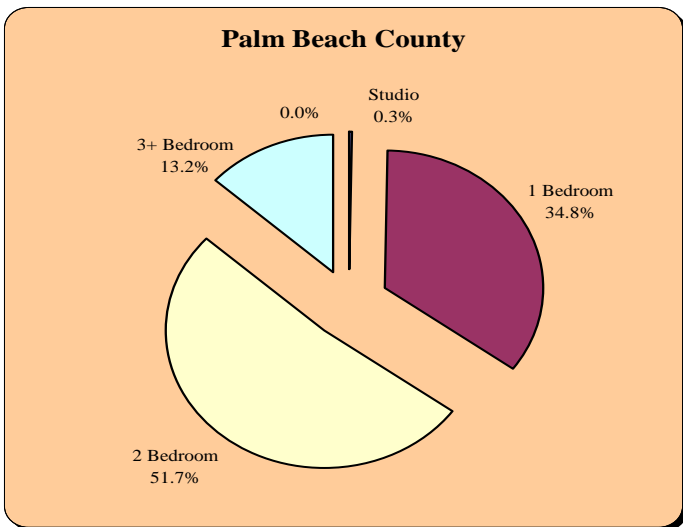
In Palm Beach County, approximately 52% of the apartment stock in major projects is comprised of two bedroom units, 35% are one-bedroom units, and 13% are three or more bedroom units. Studio units account for a small 0.3% of total apartment inventory in the county.

As shown in the following Table 2-12, unit mix in the Boca Raton East submarket consists of a higher percentage of one-bedroom units (45%), while 44% are two-bedroom, 9% are three or more bedroom and nearly 2% are studio units. The larger number of studio apartments is owing to the higher rents in the submarket and the location close to the ocean.

**Table 2-12**

**Apartment Units by Number of Bedrooms**  
Palm Beach County and Boca Raton East Submarket

Number of Bedrooms	Palm Beach County	Boca Raton East Submarket
Studio	0.3%	1.9%
1 Bedroom	34.8%	44.7%
2 Bedroom	51.7%	44.2%
3+ Bedroom	13.2%	9.2%
<b>TOTAL:</b>	<b>100.0%</b>	<b>100.0%</b>



Sources: REIS, Focus Real Estate Advisors, LLC

## **Development Pipeline**

Higher land and construction costs and lack of well-located land parcels has resulted in a relatively small development pipeline for Palm Beach County. The region currently has no units under construction, and is only expected to see 110 units delivered this year. The pace of construction is expected to remain at an average of 675 units delivered per year over the next five years.

Most of the proposed and planned units are in the Boynton Beach and North Palm Beach submarkets. None of these projects have actually commenced site work. Most developers try to build for-sale condominiums and town homes on existing multifamily parcels owing to the high price of land. Multifamily apartment development sites within the Boca Raton East submarket and immediate vicinity of the FAU campus are extremely scarce, limiting prospects for significant potential future competitive rental apartment development.

## **Summary**

The Palm Beach County rental apartment market has generally remained healthy over the past 15 years with low vacancies and steadily appreciating rents. The large number of condominium conversions in the region took a significant amount of inventory off the market over the last three years, allowing rents to appreciate rapidly. However, with weak conditions in the for-sale market, many of these conversions have reverted back to apartments. This has left the market with slightly higher vacancies than previous years, although vacancies remain below the peak levels during the height of the construction cycle in the early 2000s. As a result, rent appreciation has moderated considerably. With minimal construction expected across the county over the next five years, the apartment market is expected to experience a continued decline in the vacancy rate allowing for modest appreciation in rents.

## **FAU HOUSING SUPPLY/DEMAND AND PROJECT POTENTIAL**

### **Introduction**

The development potential and projected performance of the proposed FAU housing project will be primarily dependent on student housing supply/demand conditions. This section includes evaluation of existing student housing supply, and analysis of current and projected student housing demand and potential support for the planned housing component of the FAU housing project.

### **FAU Student Housing Environment**

The FAU student environment includes two primary categories of housing:

- On-campus University housing
- Off-campus privately owned conventional apartments

Properties within each of these categories have been identified and examined relative to project characteristics, product features, rental rates and performance. Within this analysis, we evaluated all existing on-campus housing and fifteen off-campus, privately owned conventional rental apartments. The off-campus apartments are used as a representative example of available off-campus housing for FAU students. Some of the apartments are featured on the FAU off-campus housing website, and all apartments have traditionally attracted FAU students, but typically contain a mix of students, adults, and families within the project. All of the off-campus apartments are located within a 6-mile radius of the FAU Boca Raton campus. The apartments are generally considered investment-grade properties, typically owned by institutional entities and managed by well-established regional and national management companies.

### **On campus University Owned Housing**

Existing on-campus housing available for occupancy by the general student population includes five complexes or communities constructed from 1968 to 2007. These complexes include a total of 2,408 residential beds and are located at the University's main campus in Boca Raton. An additional 300 beds are located at the MacArthur campus for honors students only. Those honor students must live in the dormitories for all four years of college.

Since the 1960's, the University has constructed nine residence halls and one apartment complex on the Boca Raton Campus. Seven of these residence halls were constructed in the 1960's: Algonquin, Modoc, Mohave, Naskapi, Sekani, Seminole

and Timucua. University Apartments were constructed in the early 1990s, Indian River Towers were constructed in 2000, Heritage Park Towers were constructed in 2003, and Glades Park Towers were constructed in 2007.

All of the older halls have either been demolished or will be demolished in the near future: Modoc, Mohave and Sekani Halls were demolished in 2003 for the construction of the Heritage Park Towers; Naskapi and Seminole Halls were demolished in the summer of 2004; Timucua Hall was demolished in the summer of 2006 to construct the Glades Park Towers.

Algonquin Hall was constructed in 1968 and originally designed for unmarried students in double occupancy and single occupancy suite-style rooms. . The building was recently reconfigured to all single occupancy rooms, lowering the total bed-count from 200 to 92. Additionally, starting in Fall, 2007, students living in Algonquin Hall are required to sign a 12-month lease agreement.

The University Apartments complex consists of ten three-story buildings connected by pedestrian walkways. The University Apartments were constructed in 1993 in an effort to provide students with an alternative to traditional residence halls. The University Apartments contain two floor plans. The studio apartment is for double occupancy with a full bath and kitchen. The second floor plan is a four-bedroom, single occupancy suite (townhouse style) with one full bathroom and a kitchen. Currently, the University offers both Academic Year and 12-month leases at the University Apartments.

Indian River Towers and Heritage Park Towers were built in 2001 and 2004, respectively, adding a total of 1,206 beds to the University Housing system. Each facility contains two separate residence halls that share a community building. Indian River Towers and Heritage Park Towers offer four-person suites, with single-bedroom or double-bedroom accommodations and one shared bathroom. (In Indian River Towers, the bathroom is divided into two half-bathrooms). Heritage Park Towers also offers a double occupancy room with one bathroom. The community buildings adjoining the towers offer large multi-purpose utility rooms, storage and laundry facilities, lounges, computer labs, classrooms, a mailroom, public restrooms, conference rooms, and administrative offices. Indian River Towers and Heritage Park Towers offer Academic Year leases only.

Glades Park Towers is the newest property constructed in 2007, and contains two separate residence halls that share a community building. The community building contains offices, study areas, classrooms, a computer laboratory, laundry facilities, a kitchenette and a small convenience store. The residence halls offer a mix of four person suites (both single and double occupancy), and a double occupancy room.

All offerings contain one bathroom. Glades Park Towers offer Academic Year leases only.

A summary profile of the main campus facilities, including unit types and current rental rates by unit type, is presented on the following page as Table 3-1. Current year (2007/2008) contract rates by term are shown in the following pages. In order to establish a basis for comparison of on-campus housing with off-campus student and conventional apartments, which are generally rented for 12-month leases, we have calculated average month equivalent rates per bed for each unit type.

In addition, the locations of all of the on-campus housing offerings are depicted in Figure 3-1, which follows Table 3-1.

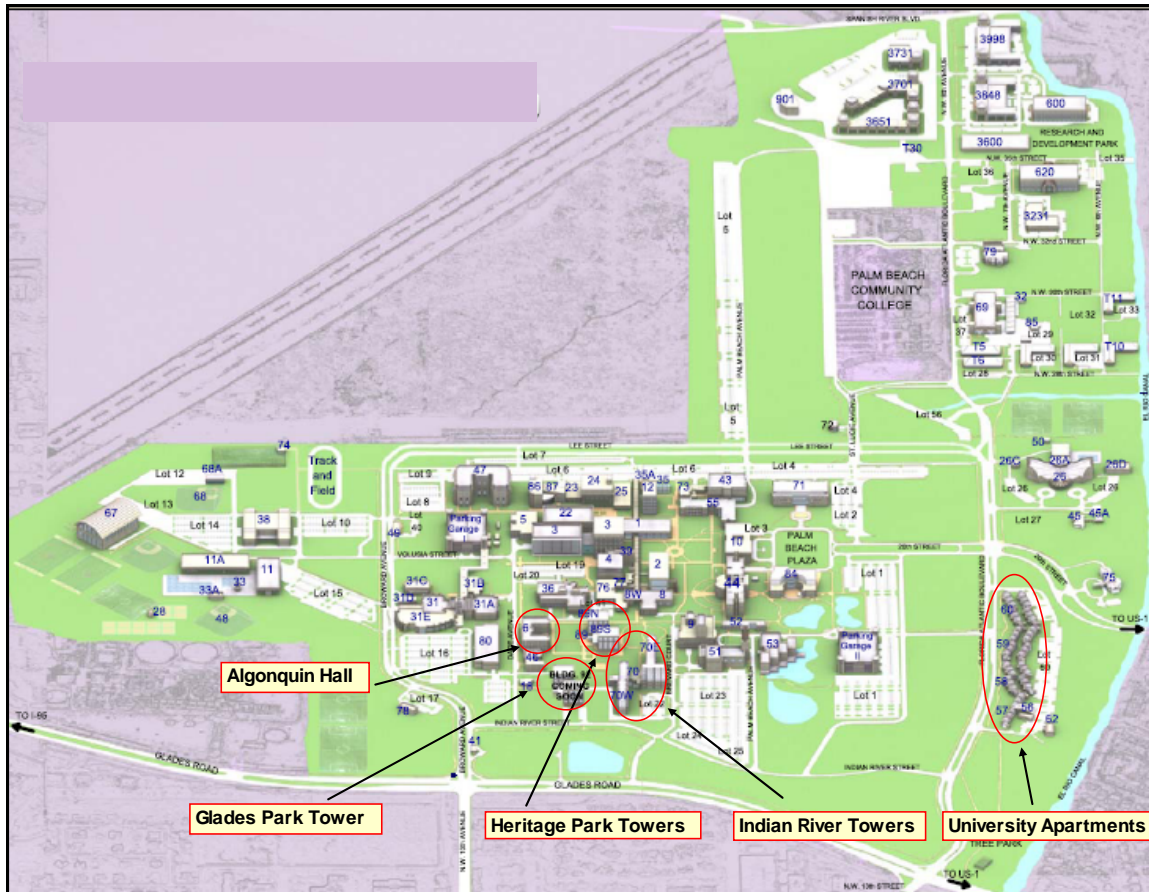
Table 3-1

<b>On-Campus University Owned Housing (Major Facilities)</b>														
<u>Project/Complex Name</u>	<u>Year Built</u>	<u>Current (8/31/07) Occupancy</u>	<u>Capacity Beds</u>	<u>Type</u>	<u>Unit Types</u>						<u>Fall-Spring</u>		<u>Summer</u>	
					<u>Beds</u>	<u>Bdrms</u>	<u>Bths</u>	<u>Half Bths</u>	<u>Common Liv Area</u>	<u>Kitchen</u>	<u>Rates Semester</u>	<u>Mthly Equiv.</u>	<u>Rates</u>	<u>Mthly Equiv.</u>
Algonquin Hall	1968	100%	90	Suite-Style Dbl	4	4	2	0	0	0	\$2,260	\$565	\$2,260	\$565
Heritage Park Towers	2004	100%	602	Suite-Style Dbl	4	2	1	0	0	0	\$2,656	\$664	\$2,099	\$525
				Suite-Style Single	4	3	1	0	0	0	\$3,164	\$791	\$2,438	\$609
				Dbl Occ	2	1	1	0	0	0	\$2,938	\$735	n/a	n/a
Indian River Towers	2001	99%	604	Suite-Style Dbl	4	2	0	2	1	0	\$2,882	\$720	\$2,099	\$525
				Suite-Style Single	4	4	0	2	1	0	\$3,418	\$855	\$2,438	\$609
Glades Park Tower	2007	100%	602	Suite-Style Dbl	4	2	1	0	0	0	\$2,656	\$664	\$2,099	\$525
				Suite-Style Singles	4	3	1	0	0	0	\$3,164	\$791	\$2,438	\$609
				Dbl Occ	2	1	1	0	0	0	\$2,938	\$735		
University Apartments	1996	98%	510	Studio Apt.	2	1	1	0	0	1	\$2,712	\$678	\$2,712	\$678
				Apt-Style Single	4	4	1	0	1	1	\$3,108	\$777	\$3,107	\$777
<b>TOTAL</b>			<b>2408</b>											

Rates include: Utilities, Cable TV, High-speed Internet, Limited custodial service, local phone in all residence halls except Glades Park Tower.  
 Only one residence hall is open per summer (University Apartments and Algonquin Hall are year-round. Rates for Heritage Park Towers summer are 2006/2007 Academic Year.  
 Source: FAU Department of Housing and Residential Life.

Figure 3-1

FAU Housing On-Campus Residential Communities



According to FAU Department of Housing and Residential Life officials, demand for on-campus housing historically exceeds capacity for Fall and Spring Semesters. On-campus housing is first offered to students already living on-campus. In 2007, 850 returning students applied for room selection in March – a 10% increase from the previous year. This year, these students filled Algonquin and the University Apartments immediately, owing to the availability of single-occupancy rooms, which are typically more requested by the upperclassmen.

The remainder of available space is then reserved for freshmen students, who are required to live on-campus unless they can document that they are over 21 years of age, living with their parents within a 50-mile radius of the Boca Raton campus, or married. Additional exceptions can be made for students with disabilities or other extenuating circumstances.



Although freshmen are required to live on-campus, not all freshmen are guaranteed a room. Historically, FAU has experienced a waiting list of approximately 300 students. This year (Fall 2007), owing to the opening of the new residence hall (with an additional 602 beds), the waiting list contained approximately 130 names. Additionally, this year was the first year students were required to fill out housing forms and provide a \$200 pre-payment in order to be placed on the waiting list. In previous years, only the student's name was required. This likely resulted in many students deciding not to place their name on the list.

The Housing Department contacts students as space becomes available to notify them of their specific assignment. The \$200 pre-payment is refunded to those students for whom there is ultimately no available space. Last year, the University conducted a study of the students on the waiting list: one-third was placed in University Housing, one-third found alternative housing, and one-third decided not to attend the University. This year (Fall 2007), 80 students were assigned housing, 13 students found alternative housing, 20 students did not attend FAU, and 17 students are still on the waiting list and attending FAU.

As a result of the high demand for on-campus housing for the past five academic years, the Housing System has experienced an occupancy rate of over 95% during both Fall and Spring semesters. The current occupancy levels for Fall 2007 are included in Table 3-1; the overall occupancy level of the five on-campus residences for Fall 2007 is 99%.

In addition to the freshmen who choose not to live on campus or are unable to obtain a housing assignment, the University believes there are other students who choose to live off campus in higher-priced housing or to live at home and commute up to 50 miles daily due to the limited supply of desirable on-campus housing accommodations. This has proven to be the case with the new Glades Park Tower, which is set to open in Fall 2007, but is already slated to be completely occupied.

FAU does not provide a formalized program for students who are not placed in on-campus living facilities. Transfer students and upper-level undergraduate students are notified that there is little chance they will be offered on-campus housing. To assist these students, the University has paid an independent company to maintain a website that offers message boards and postings of available apartments and rooms for rent in the region. However, the University does not officially endorse or sponsor any off-campus housing.

In addition to University students, some demand for on-campus housing had been traditionally generated by students attending the South Campus of Palm Beach Community College ("PBCC"), which is located on the Boca Raton Campus of the University. However, the University stopped accepting housing applications from

PBCC students approximately three years ago for a number of reasons. First, the demand for on-campus housing from FAU University students was more than sufficient to fill all of the residence halls. Second, the Academic Year for PBCC students is different than FAU, leading to a number of difficulties regarding move-in and move-out dates. Third, there were a number of financial aid collection issues. And, finally, since PBCC students were not enrolled in the University, the rules and regulations could not apply to those students. In the future, if there was more than sufficient housing, these rules could change and PBCC students could be a source of demand for FAU on-campus housing.

### **Off Campus Conventional Apartments**

Off-campus conventional apartments represent an important element of the student housing competitive framework. However, Boca Raton rental rates have typically remained high and increased consistently throughout the last ten years. The Boca Raton East submarket - which contains the area immediately surrounding the FAU campus - provides only limited options for student-oriented, reasonably-priced housing.

The apartment projects chosen for this study are only a representative sample of the offerings in the market. These properties have historically been occupied by some FAU students, but there are no off-campus apartment complexes that consist of a majority of FAU students.

Conventional market rate rental apartments do not offer "per room" (per person) leases. Most offer a standard 12 month unit lease with shorter-term leases available at additional cost. With few exceptions, conventional apartments are unfurnished. Utilities and other features typically included in student apartment leases (i.e. cable TV, internet, washer/dryers, unit electronic security) are typically not included in basic rental rates and are treated as add-ons or premiums.

Most of the selected properties are two and three story garden-style apartment complexes. These properties range in age from 8 to over 40 years old. Selected properties include a total of over 3,300 units.

Conventional apartments include predominately 1, 2 and 3-bedroom plans with a few 4 bedroom units. Average unit size ranges from 650 square feet (one-bedroom) to just over 2,100 square feet for a four bedroom, 3 and one-half bathroom unit in one complex. However, the vast majority of the plans are one and two-bedroom units.

Average monthly rents range from about \$840 for the one-bedroom unit at the oldest property (built in 1966), to \$1,338 for a large one-bedroom (1,173 square feet).

Two-bedroom rents range from approximately \$1,200 to \$1,400 per month. Three-bedroom units generally range from \$1,400 to \$2,000 per month, but some properties contain large three-bedroom town homes and detached villas that run over \$2,400 per month. The four-bedroom offerings are limited to just three floor plans ranging from \$2,300 to \$2,800 per month, with an average square footage of over 2,000. However, it is important to note that in all cases these rates exclude utilities and most other service features included in student apartment lease rates. For the purpose of this analysis, we calculated equivalent per room cost adjusted for utilities and administrative move-in fees.

Occupancy levels vary according to location and history of the properties. Many of these apartment complexes were purchased in the past three years by investors for conversion to condominiums. In many cases, these investors have made substantial renovations to the property and bought the property at a high per-unit cost. Many of these conversions did not occur, and the owners of the property have reverted back to rentals, often at higher rents than typical for the property. These properties have lower occupancy rates than the properties that have consistently been rentals. The once-converted properties have occupancy rates in the 85% range, while the majority of the properties that have consistently been rentals maintain occupancies over 94%.

The off-campus properties discussed above are summarized in Table 3-2 that follows on the next two pages. The locations of these properties are depicted in Figure 3-2 that follows the property summary.

Table 3-1

<u>Project/Complex Name</u>	<u>Year</u>	<u>Units</u>	<u>Occ</u>	<u>Bdrms</u>	<u>Bths</u>	<u>Liv Area</u>	<u>Rate</u>	<u>WD</u>	<u>Utilities</u>	<u>Elec/Security</u>	<u>Cable TV</u>	<u>Internet</u>	<u>Phone</u>	<u>Unfurn.</u>
	<u>Built</u>													<u>Per Room</u>
<b>Cynthia Gardens</b>	1966	136	95%	1	1	700	\$840	N	N	N	Y	N	N	\$1,021
<b>Mizner Court</b>	1987	450	84%	1	1	956	\$1,241	Y	N	N	N	N	N	\$1,524
				2	2	1,396	\$1,629	Y	N	N	N	N	N	\$981
<b>Spring Landing</b>	1988	200	80%	2	2	1,097	\$1,225	Y	N	N	N	N	N	\$777
				2	2.5	1,272	\$1,370	Y	N	N	N	N	N	\$850
				3	2	1,252	\$1,395	Y	N	N	N	N	N	\$591
				3	2.5	1,497	\$1,615	Y	N	N	N	N	N	\$665
<b>Spring Harbor</b>	1990	288	84%	1	1	764	\$1,050	Y	N	N	N	N	N	\$1,329
				2	2	1,175	\$1,284	Y	N	N	N	N	N	\$807
				3	2	1,335	\$1,455	Y	N	N	N	N	N	\$611
<b>Gables Palma Vista</b>	1999	189	94%	2	2	1,235	\$1,707	Y	N	N	N	N	N	\$1,026
				3	2	1,520	\$1,916	Y	N	N	N	N	N	\$770
				3	2.5	1,583	\$2,345	Y	N	N	N	N	N	\$917
				4	3	2,030	\$2,483	Y	N	N	N	N	N	\$735
				4	3.5	2,176	\$2,775	Y	N	N	N	N	N	\$808
<b>Gables Town Colony</b>	1984	172	98%	1	1	690	\$1,156	Y	N	N	N	N	N	\$1,432
				2	2	1,160	\$1,633	Y	N	N	N	N	N	\$986

(a) Utility, non-refundable fee, and short-term lease adjustment  
 Source: Focus Real Estate Advisors, LLC

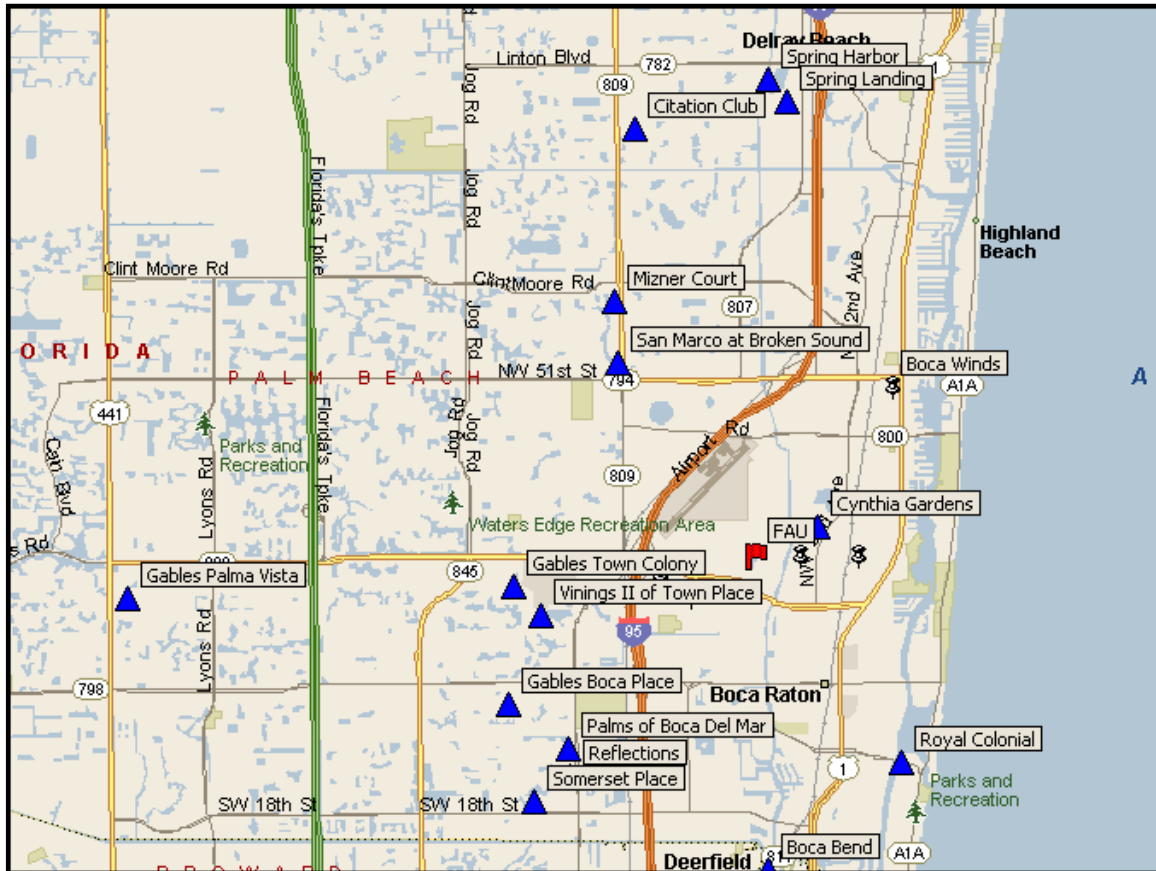
Table 2-2

<b>Off-Campus Conventional Apartments</b>														
<u>Project/Complex Name</u>	<u>Year Built</u>	<u>Units</u>	<u>Occ</u>	<u>Bdrms</u>	<u>Bths</u>	<u>Liv Area Avg.</u>	<u>Rate Avg.</u>	<u>WD</u>	<u>Utilities</u>	<u>Elec/Security</u>	<u>Cable TV</u>	<u>Internet</u>	<u>Phone</u>	<u>Unfurn. Equip. Per Room (a)</u>
<b>Vinings II at Town Place</b>	1988	252	94%	1	1	650	\$1,000	Y	N	N	N	N	N	\$1,283
				2	2	1,150	\$1,355	Y	N	N	N	N	\$852	
				3	2	1,450	\$1,625	Y	N	N	N	N	\$677	
<b>Palms of Boca Del Mar</b>	1986	320	92%	1	1	780	\$1,007	Y	N	N	N	N	N	\$1,252
				2	1	941	\$1,189	Y	N	N	N	N	\$742	
				2	2	1,135	\$1,321	Y	N	N	N	N	\$808	
<b>Reflections</b>	1986	320	n/a	1	1	750	\$988	Y	N	N	N	N	N	\$1,216
				2	2	1,266	\$1,330	Y	N	N	N	N	\$804	
<b>Somerset Place</b>	1987	106	99%	1	1	764	\$992	Y	N	N	N	N	N	\$1,269
				2	1	1,042	\$1,158	Y	N	N	N	N	\$743	
				2	2	1,127	\$1,203	Y	N	N	N	N	\$765	
<b>Gables Boca Place</b>	1984	180	94%	1	1	711	\$1,128	Y	N	N	N	N	N	\$1,405
				2	2	1,125	\$1,576	Y	N	N	N	N	\$952	
				3	2	1,353	\$1,668	Y	N	N	N	N	\$682	
<b>Citation Club</b>	1997	404	94%	1	1	947	\$1,282	Y	N	N	N	N	N	\$1,604
				2	2	1,269	\$1,457	Y	N	N	N	N	\$915	
				3	2	1,414	\$1,697	Y	N	N	N	N	\$706	
<b>San Marco at Broken Sound</b>	1992	336	86%	2	2	1,171	\$1,769	Y	N	N	N	N	N	\$1,065
				3	2	1,389	\$2,088	Y	N	N	N	N	\$835	
				3	3	1,448	\$2,195	Y	N	N	N	N	\$871	
<b>Royal Colonial</b>		n/a	n/a	1	1	700	\$1,200	Y	N	N	N	N	N	\$1,468
				2	2	1,100	\$1,450	Y	N	N	N	N	\$889	
<b>Boca Bend</b>	1980	104	n/a	1	1	870	\$950	Y	N	N	N	N	N	\$1,110
				2	2	950	\$1,150	Y	N	N	N	N	\$680	

(a) Utility, non-refundable fee, and short-term lease adjustment  
Source: Focus Real Estate Advisors, LLC

Figure 3-2

Sample Off-Campus Conventional Apartments



Student Housing Demand

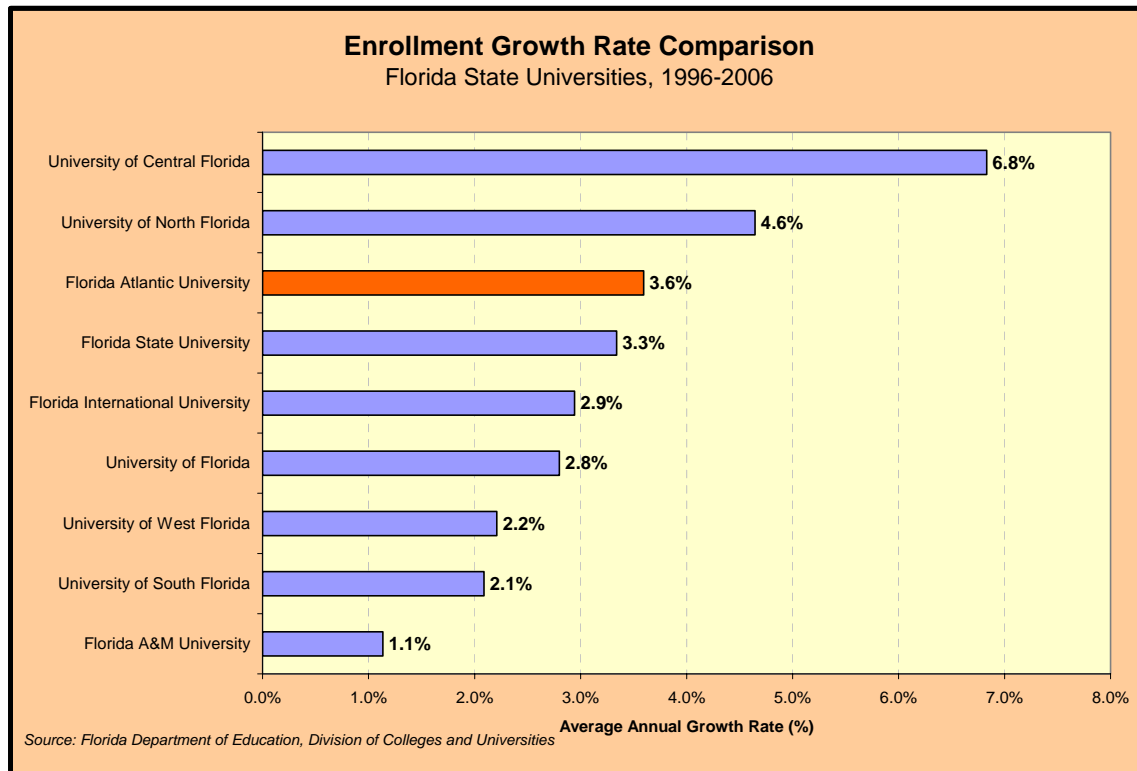
The proposed housing component of the Innovation Village and Housing Project will be located on-campus at FAU and managed and operated either by the University or an independent management company. The FAU Department of Housing and Residential Life has reported a shortage of on-campus student housing, but the full extent of this shortage is unknown. A total 130 students are currently on a waiting list for on-campus student housing this Fall, but the Department of Housing and Residential Life believes does not fully reflect all the demand due in part to a policy change requiring students on the waiting list to fill out all residence forms and provide a \$200 pre-payment. Additionally, the University has traditionally had a limited amount of housing, especially single-occupancy rooms, deterring upperclassmen from applying or inquiring about on-campus housing.

Sustained long-term demand for additional on-campus housing will include ‘pent-up’ demand from freshman students and returning on-campus housing residents, but the majority of demand will originate from upperclassmen, transfer, and graduate student that were previously ignored in the on-campus housing process owing to lack of space.

Growth and composition of FAU’s student population and key factors influencing FAU on-campus housing needs and potential are evaluated and discussed in the following paragraphs.

FAU is a steadily growing state university and expected to increase enrollment at a modest pace, but enrollment projections do not indicate a rapid increase in expected enrollment. Indeed, during the past ten years (1996-2006) FAU’s ranking among Florida’s State Universities in terms of enrollment has remained constant, ranking 6<sup>th</sup> in size among Florida’s State Universities as reflected on the following Table 3-3. (The two Florida Universities not reflected on the chart below are Gulf Coast University, which opened in 1997 and the New College of Florida, which opened in 2001. Because they are so new, their respective growth rates are not relevant to this analysis of established state universities.)

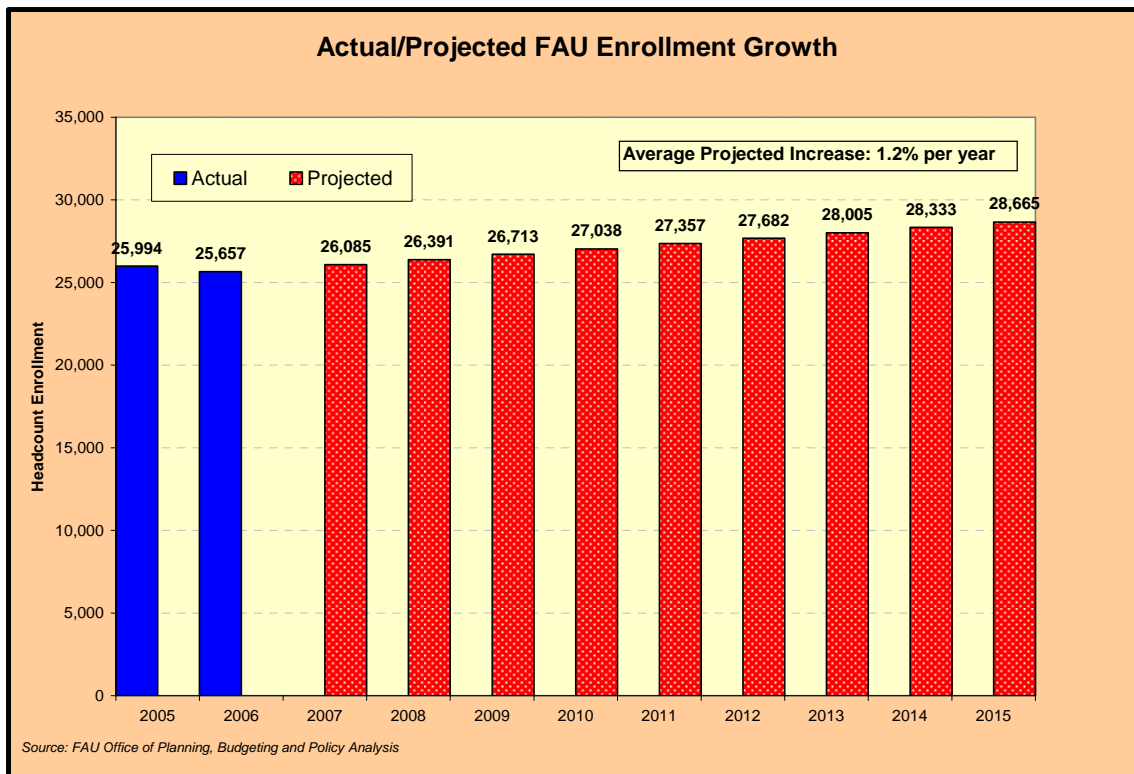
**Table 3-3**



During the last three years, the increase in FAU’s headcount enrollment has moderated substantially. This is owing to a number of factors, the most apparent being the lower high-school enrollment in Southeast Florida. The decrease in affordability in the region

has forced many families to move out of the area, thus resulting in lower enrollment figures for FAU. Additionally, although FAU enrollment is currently projected to experience modest long-term expansion, state budget cuts may result in a state-wide University enrollment freeze. The latest available official enrollment projections show enrollment climbing to over 28,000 by 2015, representing an average annual gain of approximately 335 students annually, or a 1.2% increase per year as depicted in the following Table 3-4. This figure has the potential to be considerably lower if the state does not approve any budget increases for Florida Universities this fall.

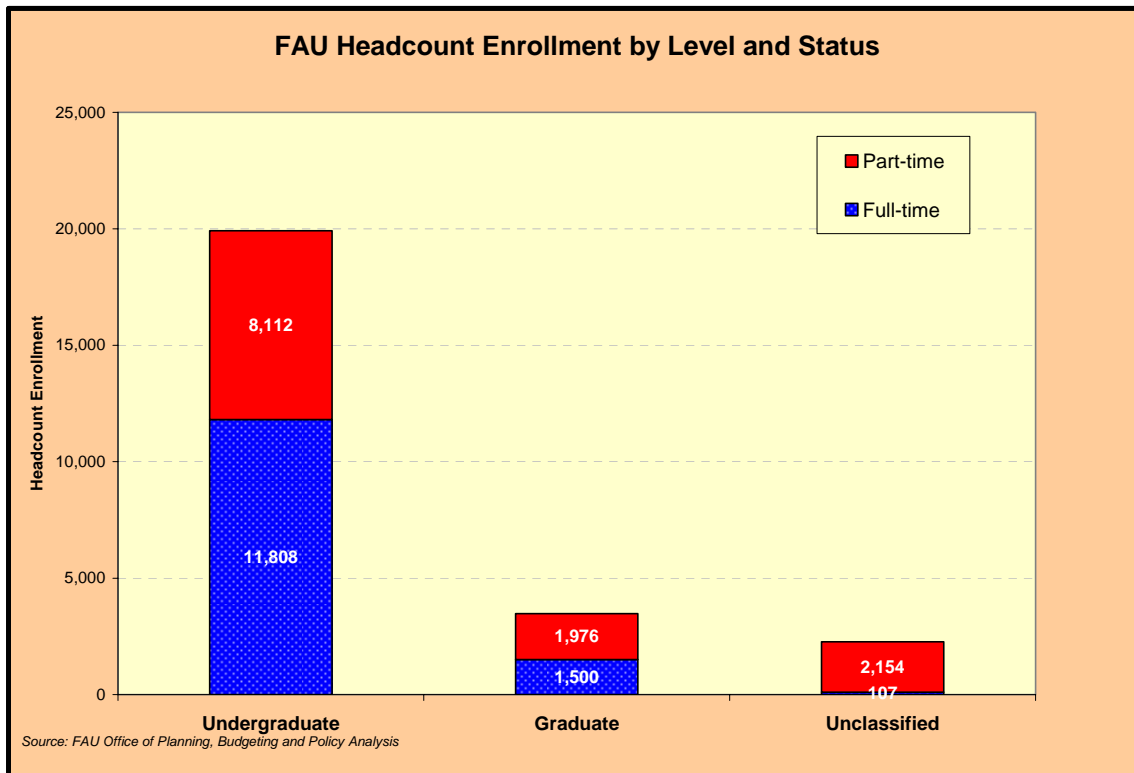
Table 3-4



An important factor in terms of student housing demand is the breakdown of full-time versus part-time students. FAU headcount enrollment statistics reveal that approximately 59% of undergraduates enrolled at FAU are full-time students. The ratio of full to part-time students among graduate level programs is just 43% as shown in Table 3-5 below.

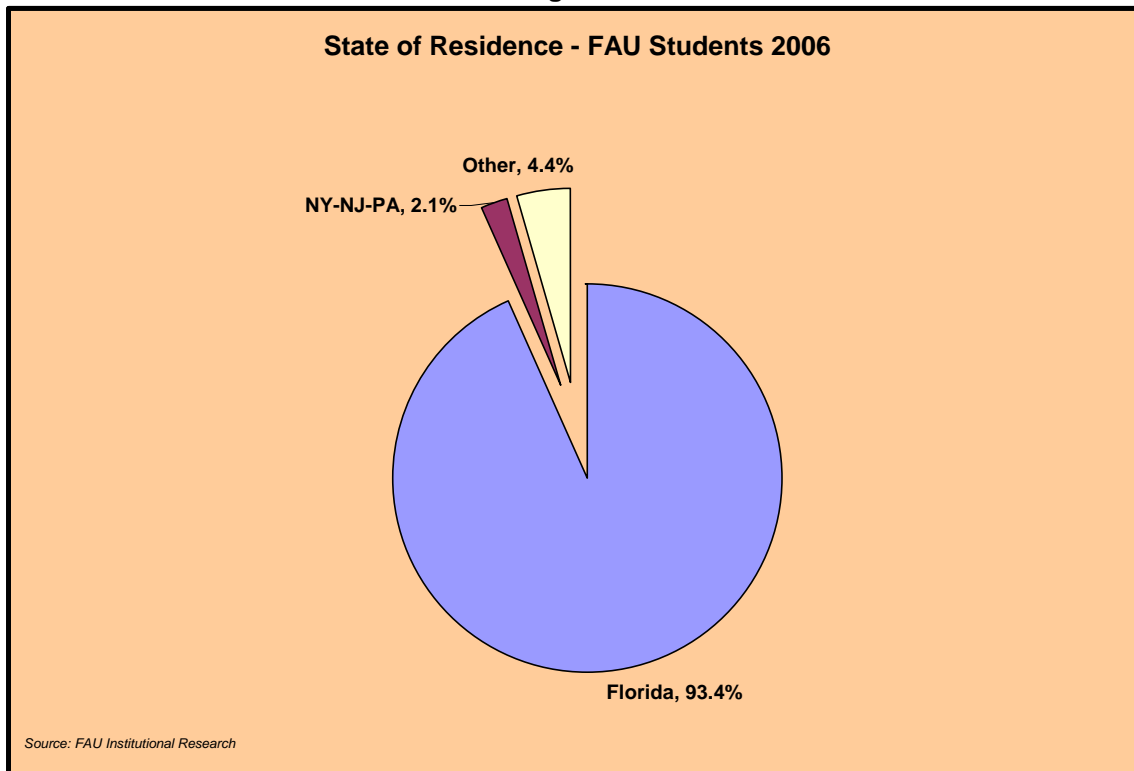


Table 3-4



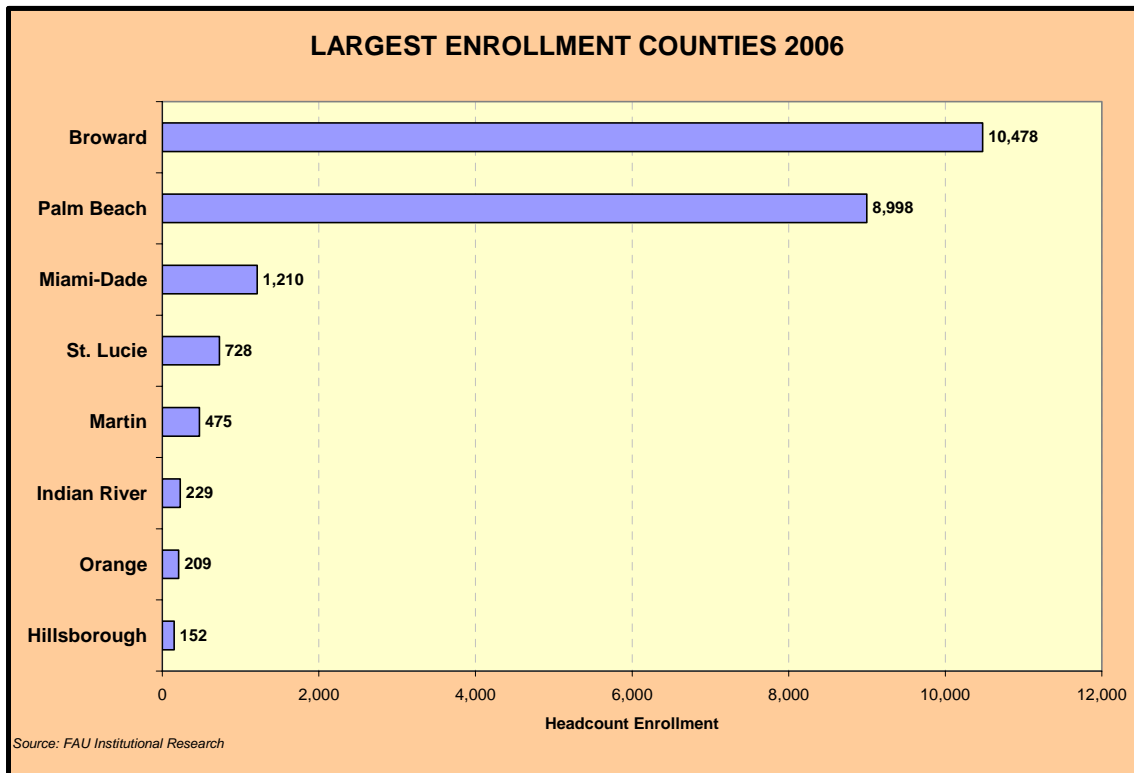
Student population statistics indicate approximately 93% of FAU students originate within Florida. Approximately 2.1% reside within the Northeast region (New York, New Jersey and Pennsylvania) and the balance includes both other US states and foreign countries (see Figure 3-3 that follows). The majority of first-time freshman students who attend FAU University from out of state prefer to live in on-campus housing, when available. For 2006, the number of students attending FAU from out of state was 1,682.

Figure 3-3



Analysis of students by county of residence at time of initial entry to the University (as shown in Table 3-6) facilitates a further breakdown of students and indicates the large percentage of students originating from the tri-county area of Palm Beach, Broward and Miami-Dade counties. Indeed, the aforementioned three counties represented 81% of total headcount enrollment at FAU in 2006. However, the large percentage of students from Broward and Miami-Dade County are possible candidates for on-campus housing, given their longer commute times. If on-campus options were available to them, it is likely a significant percentage of these students would choose to locate on-campus.

Table 3-6

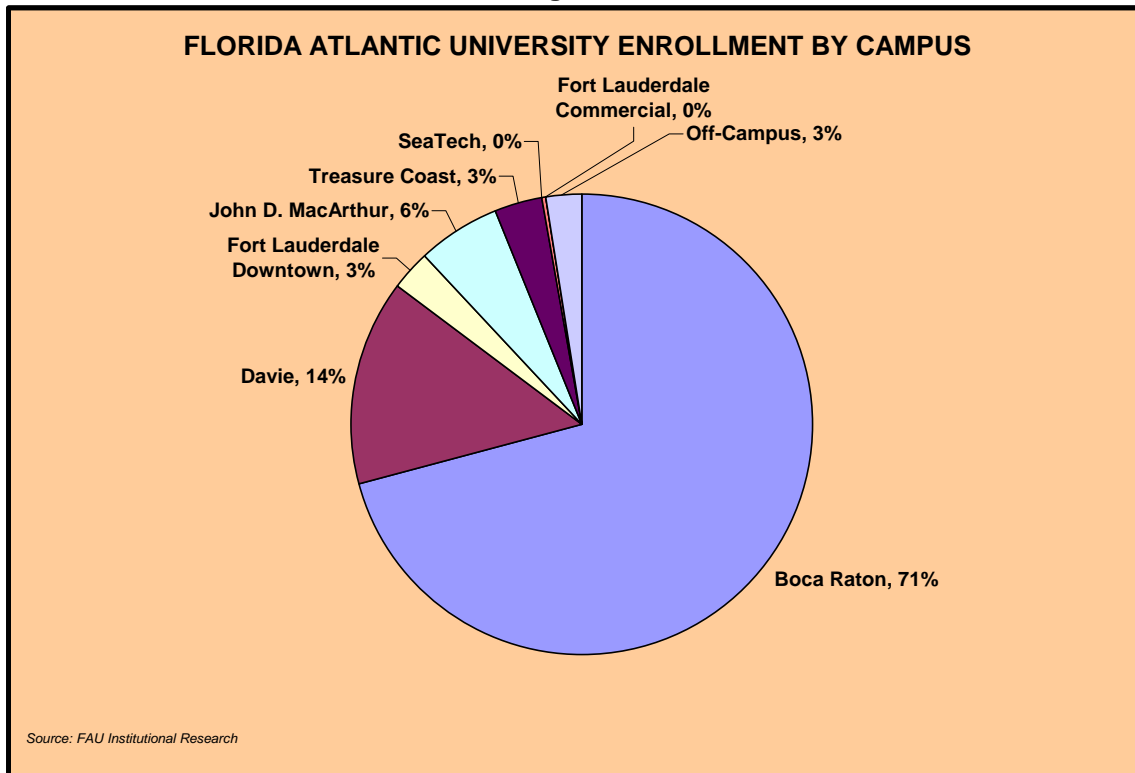


A separate analysis of statistics provided by the FAU Institutional Effectiveness & Analysis Department based on reported residence address information by zip code for students enrolled at the University for the Fall 2007 Semester indicates approximately 47% of students, excluding those residing in existing on-campus housing, resided within a 15-mile radius of campus. The number of students residing in a 30-mile radius increases to 84% of total enrollment. Approximately 5,800 students reside outside of the 30-mile radius of the FAU main campus, and a percentage of these would be prime candidates for on-campus housing.

### The Main Campus

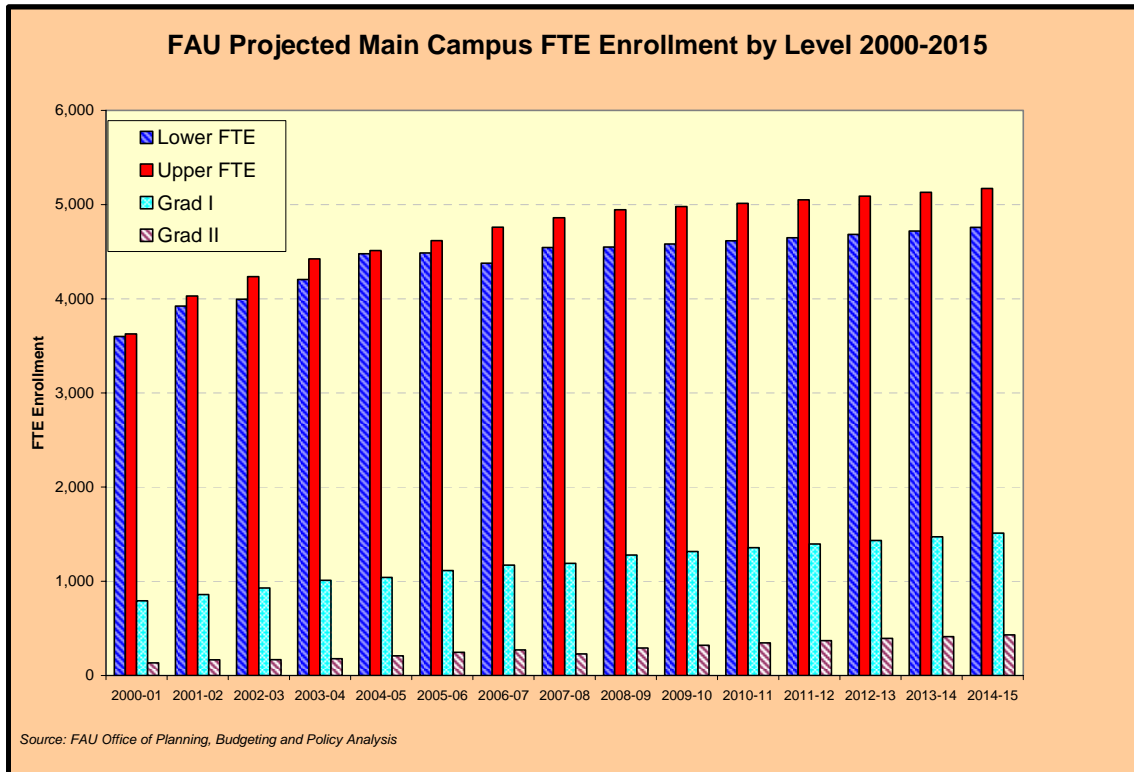
Although the Boca Raton Campus is the primary campus for FAU, the University maintains seven regional campuses throughout the South Florida region. The majority of regional campuses offer limited facilities encompassing special education programs. The following Figure 3-4 shows a breakdown of enrollment by campus.

Figure 3-4



The total student body count at the Boca Raton Campus for Fall 2006 was 18,180, of which 10,582 were full-time students. The following Table 3-7 shows the latest available projections of main campus enrollment by level through 2015. Levels include Lower Division, Upper Division, Graduate I and Graduate II. Lower Division is the total of freshmen and sophomores and Upper Division is the total of juniors and seniors. The Graduate I category includes masters students, while Graduate II contains doctorate students.

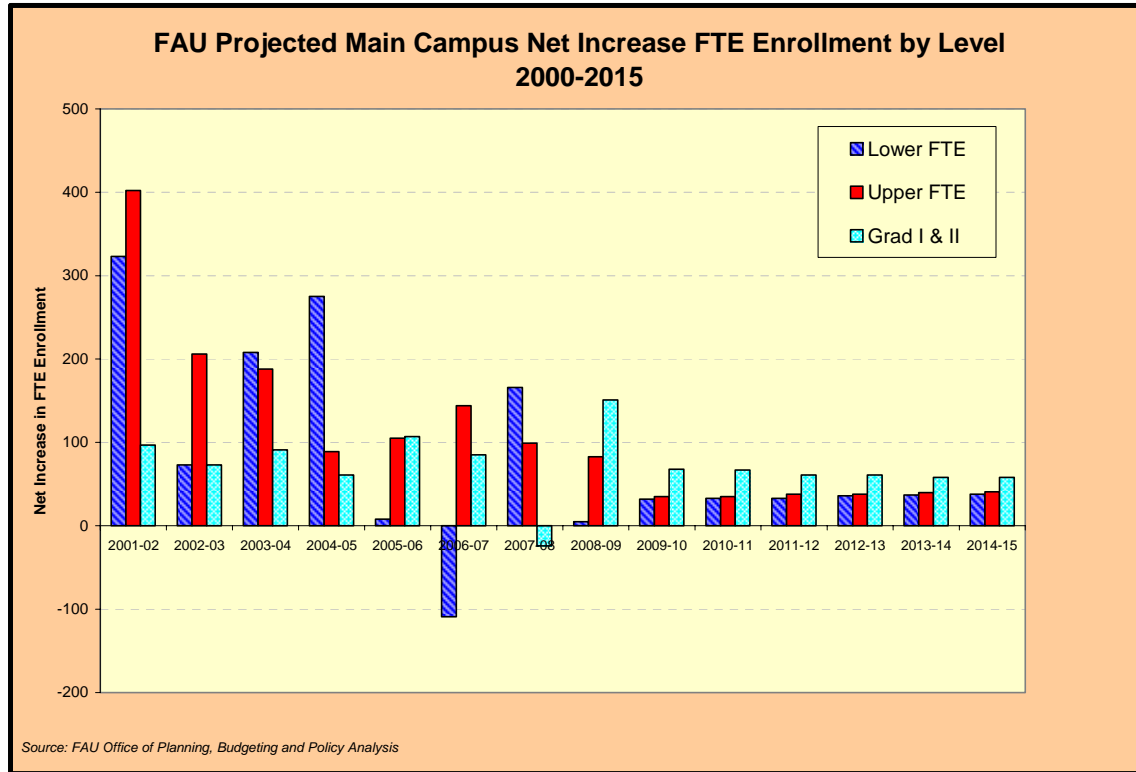
Table 3-7



Upper division counts are larger than lower division primarily as a result of community college transfers. Main campus enrollment for 2007-2008 is projected at 10,823, with lower and upper division undergraduates accounting for about 87% of total main campus enrollment. While overall FTE enrollment is not expected to increase significantly over the next seven years, the expected net increase of Upper Division and Graduate students at the main campus is expected to experience the highest pace of growth. This is the primary segment of FAU's student body that is underserved by existing on-campus housing and presents the largest opportunity in terms of demand for new housing. Main campus enrollment projections by FAU officials indicate a gain of approximately 1,050 total students during the projection period. Upper Level and Graduate students are expected to represent 80% of the total increase, or 834 additional students over the forecast period.

These enrollment trends are depicted in the following Table 3-8.

Table 3-8



**Summary**

Overall, enrollment trends at FAU are expected to remain modest, and may stagnate with state budget cuts. Therefore, the new housing product must be geared to upper class students who have not previously been offered on-campus housing. Indeed, Upper Division and Graduate students on the Main Campus are expected to experience the highest pace of growth over the forecast period. Estimates of actual demand for on-campus housing among this student sector are difficult to measure, since there is no precedent for demand. However, given the forgoing statistics of net projected increase in Upper Division enrollment, geographic distribution of enrolled students, and residence of origin for incoming students, we have designed the following program and estimates of future housing demand.

**Market Potential – FAU Project**

Returning Undergraduates, Transfer students and Graduate students represent the largest source of demand for on-campus student housing, as this segment of the student population has yet to be served by existing housing.

Incoming freshman also are a source of demand, but we believe current demand from incoming freshman is a smaller percentage of immediate demand.

Owing to stable enrollment projections over the next few years, we expect the number of freshman students living on-campus to remain relatively stable at approximately 35% of incoming freshman (approximately 1,055 students). This number could increase if the 50-mile radius standard is changed to a smaller 30 mile radius, but this figure may not be substantial. Indeed, according to a zip code analysis of all incoming FAU freshmen Fall 2007, approximately 115 freshmen live between the 30 and 50 mile radius, while 1,685 freshmen live within a 30 mile radius.

Discussions with FAU Housing officials indicate that the number of students wishing to remain on-campus after the first year is increasing approximately 10% per year.

### Project Concept, Rates and Occupancy

The following paragraphs provide an outline for project concept and rental rates for the proposed FAU housing project. These recommendations serve only as a guideline, and have not taken construction costs and building design into account. Additionally, we have assumed the University constructs residential buildings with 309 beds in each building for a total of 1,545 beds as per KUD's "Pinwheel Site Plan". [This refers to the site plan developed by KUD International, (a New York City based real estate developer specializing in the development of public/private partnership projects, such as the University of Central Florida (UCF) Convocation Center/Arena, retail and student housing project currently underway in Orlando) for discussion purposes and previously presented to the University, which depicts several student housing building radiating out from a central core common facility structure.]

We propose an 'all-suite' residential product, which will include primarily 4-bedroom/2-bath plans and a limited number of 1-bedroom/1-bath efficiencies primarily for the residence life staff as indicated in Table 3-9 below. All bedrooms should be single-occupancy affording students individual privacy consistent with configuration standards typically associated with new, privately owned and developed off-campus student apartments. Additionally, suites should include full-kitchens and common living rooms.

**Table 3-9  
Proposed Unit Types, Mix and Sizing  
Residential Component - FAU Innovation Village Housing Project**

Unit Type	Bdrms	Bths	Beds	Liv.Area (Sq.Ft.)		# Units	% Dist.
				Low	High		
4/2 Suite	4	2	300	1,000	1,200	75	91%
1/1 Efficiency	1	1	9	348	348	7	9%
<b>TOTAL*</b>			309			82	100%

\* Building program includes 7 beds in 1/1 units for Resident Advisors.

Basic unit features of the proposed product package include all features provided in existing on-campus facilities, as well as most features included in comparable units in contemporary off-campus student rental apartments. Proposed unit features and amenities include the following:

- Kitchens/Kitchenettes
  - Fully Furnished
  - Tile floors
  - Electric Range/Oven
  - Refrigerator
  - Dishwasher
  - Garbage Disposal
- Living Room/Dining Room Furnishings
- Bathrooms
  - Tile floors
  - Double vanities in shared baths
  - Standard tub/shower
- Bedroom furnishings and Carpet
- Mini-blinds/Verticals
- Basic Cable TV
- High Speed/Wireless Internet Access
- All Utilities
- Limited custodial service for common areas
- Security and other University sponsored Residence Life support services

Proposed unit features and amenities are comparable or better than existing on and off-campus facilities and considered appropriate to compete effectively over time with off-campus product offerings.

## Rental Rates

Evaluation of achievable rental rates for the proposed project included comparison of effective average rates on a 'per room' or 'per bed' equivalent among all property categories. In order to facilitate the comparison of current University contract housing rates to 12-month lease terms utilized by all off-campus conventional apartments, we added a \$50 per month short-term lease charge to the off-campus apartment rate. This figure is an average based on our analysis of conventional apartments near FAU.

Estimated achievable rental contract rates are summarized in the following Table 3-10. These rates are provided only as a guideline and do not take into account construction and design costs. These rates assume Semester leases.



**Table 3-10  
Estimated Achievable Per Room (Bed) Rental Rates by Unit Type  
Residential Component - FAU Innovation Village Housing Project**

Unit Type	Bdrms	Bths	Effective Avg. Mthly Rent Per Bed(a)		
			Low	High	Avg
<b>4/2 Suite</b>	4	2	\$866	\$907	\$887
<b>1/1 Efficiency</b>	1	1	\$953	\$998	\$975

(a) Estimated achievable rental rates are expressed in inflated 2009 dollars.

The primary determinates of estimated achievable rates for the proposed project included detailed product comparisons of on- and off-campus rental housing programs in the submarket and beyond. The key factor or measure in the evaluation of student rental apartment rates is 'rent per bed' for shared and/or private bathroom floor plan configurations as opposed to unit and per square foot rates typically utilized in rent positioning analysis for conventional rental apartments.

The proposed rental rates are priced at a slight premium to some off-campus offerings of 3 and 4-bedroom apartments. We believe pent-up demand exists for a limited amount of off-campus housing (618 beds) that would require a premium. However, additional demand for housing (in addition to the possible implementation of 12-month leases) will be dependent on the completion of FAU's Innovation Village and new fitness center facilities, providing students with a more traditional campus environment.

**Methodology:**

In assessing the proposed housing offerings, we consider or assumed the following factors:

- The planned housing product includes two floor plans including suite-style units and Efficiency apartments. All planned units are configured for single-occupancy bedrooms.
- The only comparable floor plan available in existing on-campus facilities is the 4 bedroom/1 bathroom apartment at University Apartments, which is a considerably older structure.
- Most on-campus housing contract rates are defined on a Semester basis for specified periods, and prices for the proposed housing product are defined on a Semester basis. Typically, FAU only houses 300 to 400 students in the summer

months, and we do not believe there is sufficient demand for 12-month leases at FAU's main campus. Indeed, only 200 beds were set aside for 12-month leases in the University Apartments in 2007, and these beds were the most difficult to fill.

- In order to facilitate the comparison of current University contract housing rates to 12-month lease terms utilized by all off-campus apartments, we added a \$50 per month lease charge to the off-campus apartment rate. This figure is an average based on our analysis of conventional apartments near FAU. Some apartments charge up to \$250 per month for a shorter lease term.
- We have used KUD's "Pinwheel Site Plan" as the estimate for building size and potential number of units. The plan provides for five 309-bed residence halls - a total of 1,545 beds.
- On-campus housing rates are not dependent on age of construction as much as they are dependent on room-type. The Glades Park Towers, which opened in 2007, contained the same rental rates as similar room types in Heritage Park Towers, which was constructed in 2004. However, we believe there will be a premium built-in for new apartment-style suites, since the only competition (University Apartments) was constructed over 10 years ago and has not undergone any significant renovations.
- Although there is no precedent for the premium placed on new construction apartment-style suites, we estimated that premium between 5% and 10%. We based this estimate on analysis of off-campus conventional rental rates, the current condition of the University Apartments, and the added bathroom per suite proposed in the new buildings.
- In addition to the premium for new construction, other significant factors representing value premiums influencing achievable rates for the planned project, have been considered in this analysis including:
  - The completion of the new fitness facility on the FAU campus. Currently, on-campus recreation facilities are sub-par for students residing on-campus.
  - Mixed-use environment- the planned mixed-use environment at Innovation Village, including a new football stadium and 130,000 square feet of retail space is essential to create a more campus-like environment and attract students to reside on-campus.
- Estimates for reasonably achievable rates per bed on a Semester contract basis for the planned project are based on historical on-campus pricing trends and value relationships. The estimated achievable baseline rate per bed for a 4 bedroom/2 bathroom unit in the planned project conservatively assumes a 5% to 10% adjustment for the above premium factors applied to the \$777 average monthly

rate per bed for existing on-campus 4 bedroom/1 bath units adjusted to 2009 dollars per bed assuming a 3% inflation factor. (i.e.  $(\$777 \times 1.03 \times 1.03 = \$824) \times 1.05 = \$866$  (low);  $\times 1.10 = \$907$  (high)).

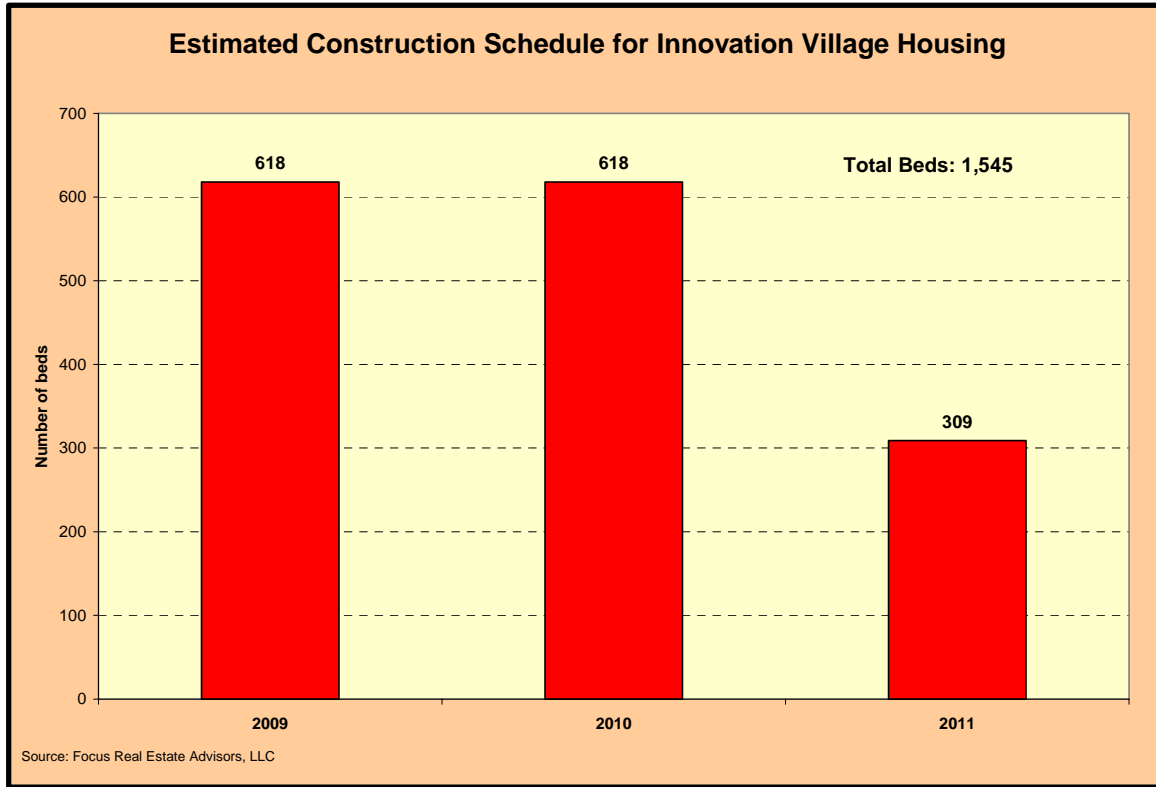
### **Estimated Absorption and Occupancy**

Absorption and occupancy of the planned student apartments will be primarily dependent on existing demand, FAU enrollment, and upperclassmen and graduates that have previously not been able to live on campus. Overall average annual occupancy of the planned on-campus apartments is estimated to average 95%, corresponding to current on-campus student housing on the FAU campus. We believe the total number of proposed beds by KUD - 1,545 - is a reasonable estimate of future demand, but supply must be phased over time. After the first phase of housing (618 beds) is constructed in 2009, the remainder of housing is based on the assumption that the Innovation Village project moves forward.

We believe the introduction of two buildings - a total of 618 new beds - is a reasonable estimate of pent-up demand for 2009, providing these new beds are offered on a Semester lease basis. These buildings will likely be filled with upper-class students living in nearby, low-quality rental apartments that were previously denied on-campus housing owing to the lack of supply. Additionally, a number of transfers and out-of-state students may be interested in new residential housing.

Since FAU currently does not have the amenities (campus-like environment, retail, fitness center) to accommodate upper-class students that typically require a more lifestyle-driven housing accommodation, we believe the next phase of housing should occur in conjunction with the delivery of Innovation Village - more specifically, the proposed stadium and retail space in 2010. Providing the stadium and retail space is built, and an additional study is conducted to measure actual demand on campus, we expect pent-up demand for an additional 618 beds (2 buildings). The following year, providing the introduction of all new resident housing is successful, the University can build the remaining 309 beds in 2011. We have depicted this timetable in the following Table 3-11.

Table 3-11



## OPERATING FINANCIAL PROJECTIONS

### Introduction

Operating financial projections for the proposed Innovation Village housing project are presented in this section based on achievable occupancy and rental rates established in the foregoing sections of this report. Operating expense assumptions are a rough estimate based on previous budgets provided by FAU's Housing and Residential Life Department and generalized industry standards. These assumptions are based on occupied beds to coincide with University budget assumptions. We have used these estimates purely as an example as they have not been examined or approved by University officials, nor do they include the Administration costs or Overhead costs of the Housing and Residential Life Department. Additionally, these projections do not include any current debt service of the Housing department.

We assume the proposed facilities will be operated by FAU's Department of Housing and Residential Life as with the existing University on-campus housing. Accordingly, the proposed property will be included in FAU's department literature and will be "leased" within the reservation/contract process already in place in the administration.

Proforma financial operating projections presented below are base case projections with stated inflation in the assumptions below.

Phase I, including the first two residential buildings (a total of 618 units) is projected to generate revenues of \$4.2 million with associated operating expenses of approximately \$1.4 million generating a surplus of approximately \$2.7 million.

The following paragraphs explain and document underlying assumptions.

### Operating Revenues

- *Housing Contract Rental Revenues* – by unit type reflect unit mix, estimated achievable rates and occupancy factors established in the preceding market analysis and restated below. These revenues assume 7 Resident Advisors per building, with each of those advisors fully subsidized by the University. Revenues are increased at 3.5% per year, which is conservative based on University historical increases (3% to 5%)

**Table 4-1  
Estimated Achievable Per Room (Bed) Rental Rates by Unit Type  
Residential Component - FAU Innovation Village Housing Project**

Unit Type	Bdrms	Bths	Effective Avg. Mthly Rent Per Bed(a)		
			Low	High	Avg
4/2 Suite	4	2	\$866	\$907	\$887
1/1 Efficiency	1	1	\$953	\$998	\$975

(a) Estimated achievable rental rates are expressed in inflated 2009 dollars.

- **Occupancy** – Revenues for the 4-bedroom/2-bath suites, which represent the majority of units, assume an effective average annual occupancy rate of 95% which is consistent with FAU on-campus housing experience. Only two of the 1-bedroom/1-bath efficiency units per building will be available for general student rental and are expected to remain fully occupied. The balance of the efficiencies will be dedicated for student Resident Advisors. As stated previously, the University fully subsidizes housing rents for the Resident Advisors.
- **Student Repair Fees** – include special service fees and fines. Projections are based on the 2007 budget per-bed average for the University Apartments, which is the most similar product to the proposed buildings. Additionally, we have increased the 2007 budget figure by the percentage increase from the previous year and left that figure (\$89 per bed) constant throughout the model.

### Operating Expenses

Due to the initial stages of the Innovation Village housing component, detailed analysis of operating expenses, funding, construction costs, and design have yet to be determined. Therefore, to provide an estimate of Operating Expenses to derive the Net Operating Surplus, we have used the Housing and Residential Life 2007 operating expenses budget for the University Apartments, which is the most similar product to the proposed housing. We calculated per-bed expense for each item in the operating budget. We then applied a reasonable estimate of

increase to the current per-bed expense to derive the current per-bed expense for the proposed housing. Below is a brief overview of the separate line-items of the proforma followed by the proforma in Table 4-2.

- **Salaries & Benefits** includes the salary and benefits for the A&P Coordinator, and secretary, clerk, maintenance and custodial staff of the USPS. According to the 2007, this expense totaled \$509 per bed at the University Apartments. We applied a 3% annual increase to the current estimate based on a reasonable increase in cost of living.
- **Other Personnel Services** includes primarily temporary workers that do not receive benefits. This figure was \$168 per bed, and we applied a 3% annual increase.
- **Maintenance & Custodial Personnel** includes day-to-day facility maintenance. The figure includes both maintenance personnel costs including payroll, benefits and taxes as well as supplies and other miscellaneous expenses. This cost was \$217 per bed in 2007, a 42% decline from the previous year. According to FAU officials, as the University brought the custodial/housekeeping function in house, the contracted services went down which was part of the maintenance expense. However, going forward, we assumed a 3% annual increase in maintenance and custodial personnel, to coincide with the average increase in cost of living.
- **Utilities** principally include electrical services as well as cable, Internet, water and sewer, solid waste fees, and hazardous waste fees. Utility costs were \$1,070 per bed at the University Apartments, a 23% increase from the previous year. According to FAU officials, the University has experienced a dramatic increase in utilities over the last few years, and base future increases on actual increases for the previous 6-12 months of the year. Therefore, we assume a 3.5% annual increase in utility costs going forward.
- **Service Contracts** encompass outside professional service companies including pest control, trash, contracted custodial cleaning, and elevators. Service contract expenses declined 36% in 2007 at the University Apartments, partially owing to economies of scale with the introduction of the Glades Park Tower. The 2007 per-bed rate for Service Contracts at the University Apartments was \$254. Owing to further economies of scale with the introduction of the new residential buildings, we have assumed a 1.5% annual increase in service contracts.

- *Administration and Supplies* primarily includes the insurance for the buildings, but also includes copying services and elevator certification. The per-bed cost for Administration and Supplies at the University Apartments in 2007 was \$6 per bed. We believe this cost will remain relatively constant and assumed a 1% annual increase.
- *Marketing and Printing* costs have generally been zero on the main campus, since on-campus housing typically remains full. However, we have included a slight (\$750) budget for this item in the new housing product since we expect the Housing and Residential Life Department will have to market to upper classmen to make them aware of the new on-campus option.
- *Training and Development* includes the residential coordinator professional development. This figure is relatively small, but did increase substantially at the University Apartments (and across all residences) in 2007 to \$9 per bed (a 181% increase). Therefore, we projected a 3% annual increase for this expense.
- *Miscellaneous* costs include any special projects, including replacement technology, or housing improvements. Since the University Apartments had only standard costs in 2007 (a per-bed figure of \$45 per bed), we assume a 2% increase for these costs, given that the buildings will be new construction and will not likely have a considerable amount of special projects in the first few years of operation.



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EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

Table 4-2

		9/09-8/10	9/10-8/11	9/11-8/12	9/12-8/13	9/13-8/14	9/14-8/15
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Total Number of Beds (Leases)</b>		<b>618</b>	<b>1,236</b>	<b>1,545</b>	<b>1,545</b>	<b>1,545</b>	<b>1,545</b>
<b>RENTAL FEES</b>							
<b>Semester Standard Contracts (4/2)</b>							
Number of 4/2 beds with Semester Contracts		600	1,200	1,500	1,500	1,500	1,500
Occupancy rate for Semester Contracts		95%	95%	95%	95%	95%	95%
Total occupancy for Semester Contracts		570	1,140	1,425	1,425	1,425	1,425
Base monthly rent per bed per month for Semester Contracts		\$887	\$918	\$950	\$983	\$1,017	\$1,053
Total base rent per 4/2 beds per month with Semester Contracts		\$ 4,042,440	\$ 8,367,851	\$ 10,825,907	\$ 11,204,814	\$ 11,596,982	\$ 12,002,877
<b>Housing Contract Rental Revenues 4/2 Semester Contracts:</b>		<b>\$ 4,042,440</b>	<b>\$ 8,367,851</b>	<b>\$ 10,825,907</b>	<b>\$ 11,204,814</b>	<b>\$ 11,596,982</b>	<b>\$ 12,002,877</b>
<b>Semester Standard Contracts (1/1)</b>							
Number of 1/1 beds with Semester Contracts		18	18	36	45	45	45
Occupancy rate for Semester Contracts		100%	100%	100%	100%	100%	100%
Total occupancy for Semester Contracts		18	18	36	45	45	45
Base monthly rent per bed per month for Semester Contracts		\$976	\$1,010	\$1,046	\$1,082	\$1,120	\$1,159
Total base rent per 1/1 beds per month with Semester Contracts		\$ 140,544	\$ 145,463	\$ 301,108	\$ 389,559	\$ 403,194	\$ 417,305
<b>Resident Assistant (RA) Contract Subsidy (1/1)</b>							
Number of Resident Assistants (7 Per Building)		14	14	28	35	35	35
Occupancy rate for Semester Contracts		100%	100%	100%	100%	100%	100%
Monthly subsidy for Resident Assistant apartment (based on 12 months)		\$976	\$1,010	\$1,046	\$1,082	\$1,120	\$1,159
<b>Total rent subsidy for Resident Assistant Contracts:</b>		<b>\$ 109,312</b>	<b>\$ 113,138</b>	<b>\$ 234,195</b>	<b>\$ 302,990</b>	<b>\$ 313,595</b>	<b>\$ 324,571</b>
<b>Housing Contract Rental Revenues 1/1 Semester Contracts:</b>		<b>\$ 31,232</b>	<b>\$ 32,325</b>	<b>\$ 66,913</b>	<b>\$ 86,569</b>	<b>\$ 89,599</b>	<b>\$ 92,735</b>
<b>OTHER SOURCES OF HOUSING REVENUE</b>							
Student Repair Fees per bed \$89		\$ 52,479	\$ 103,352	\$ 130,394	\$ 131,198	\$ 131,198	\$ 131,198
Conference/Guest Housing Fees		\$ 40,000	\$ -	\$ 40,000	\$ 60,000	\$ 60,000	\$ 60,000
<b>TOTAL REVENUE PER YEAR</b>		<b>\$ 4,166,151</b>	<b>\$ 8,503,527</b>	<b>\$ 11,063,214</b>	<b>\$ 11,482,580</b>	<b>\$ 11,877,778</b>	<b>\$ 12,286,809</b>
<b>Operating Expenses</b>							
Salaries & Benefits per bed \$540		\$ 317,519	\$ 644,077	\$ 836,984	\$ 867,404	\$ 893,426	\$ 920,229
Other Personal Services per bed \$178		\$ 104,800	\$ 212,583	\$ 276,254	\$ 286,294	\$ 294,883	\$ 303,730
Maintenance & Custodial Personnel per bed \$230		\$ 135,367	\$ 274,587	\$ 356,828	\$ 369,797	\$ 380,891	\$ 392,317
Utilities per bed \$1,146		\$ 673,972	\$ 1,373,768	\$ 1,793,888	\$ 1,868,112	\$ 1,933,496	\$ 2,001,168
Service Contracts per bed \$262		\$153,866	\$307,567	\$393,866	\$402,236	\$408,270	\$ 414,394
Administration & Supplies per bed \$6		\$ 3,599	\$ 7,159	\$ 9,122	\$ 9,270	\$ 9,363	\$ 9,456
Marketing & Printing		\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Training & Development per bed \$10		\$ 5,614	\$ 11,388	\$ 14,799	\$ 15,337	\$ 15,797	\$ 16,271
Miscellaneous per bed \$47		\$ 27,529	\$ 55,300	\$ 71,165	\$ 73,035	\$ 74,496	\$ 75,986
<b>Total Operating Expenses</b>		<b>\$ 1,423,016</b>	<b>\$ 2,887,180</b>	<b>\$ 3,753,655</b>	<b>\$ 3,892,235</b>	<b>\$ 4,011,371</b>	<b>\$ 4,134,301</b>
<b>Total Operating Expenses As a Percentage of Housing Revenues</b>		<b>34%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>
<b>Total Operating Expenses Per bed per year</b>		<b>\$ 2,479</b>	<b>\$ 2,524</b>	<b>\$ 2,619</b>	<b>\$ 2,712</b>	<b>\$ 2,795</b>	<b>\$ 2,881</b>
<b>NET OPERATING SURPLUS</b>		<b>\$ 2,743,135</b>	<b>\$ 5,616,348</b>	<b>\$ 7,309,559</b>	<b>\$ 7,590,345</b>	<b>\$ 7,866,408</b>	<b>\$ 8,152,508</b>

A "Semester Contract" assumes an 8-month term.

**APPENDICES**

**Figure 5-1** Florida Atlantic University Enrollment Growth Trend

**Figure 5-2** FAU Full Time Enrollment

**Figure 5-3** 2006 Main Campus housing Profile

**Figure 5-4** One Bedroom/One Bathroom Configuration

**Figure 5-5** 3 Bedroom/2 Bathroom Configuration

**Figure 5-6** Average Monthly Rent Per Room (Bed) by Number Bedrooms

**Workforce Housing** - A Brief Overview of Palm Beach County's Current Housing Conditions

Figure 5-1

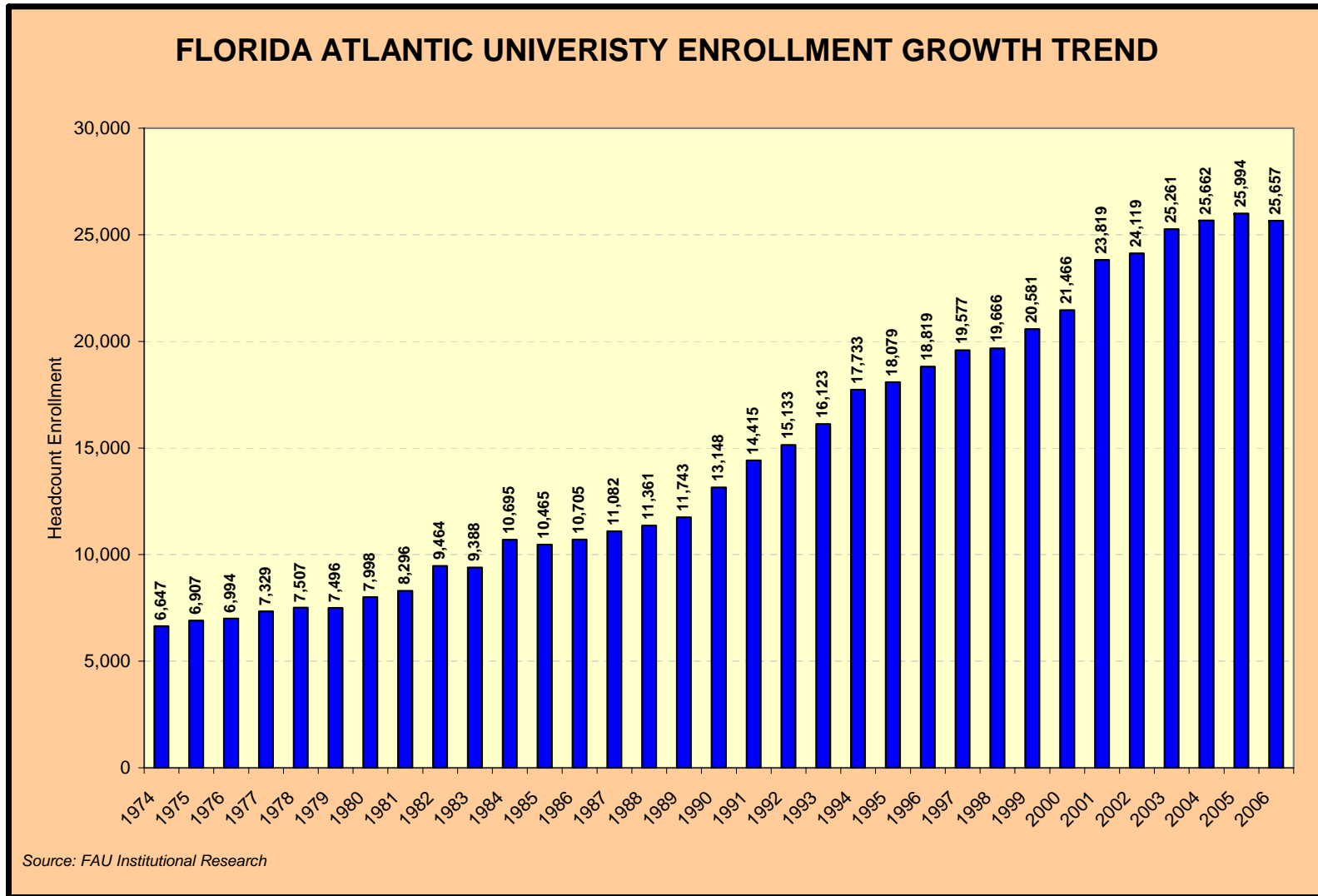


Figure 5-2

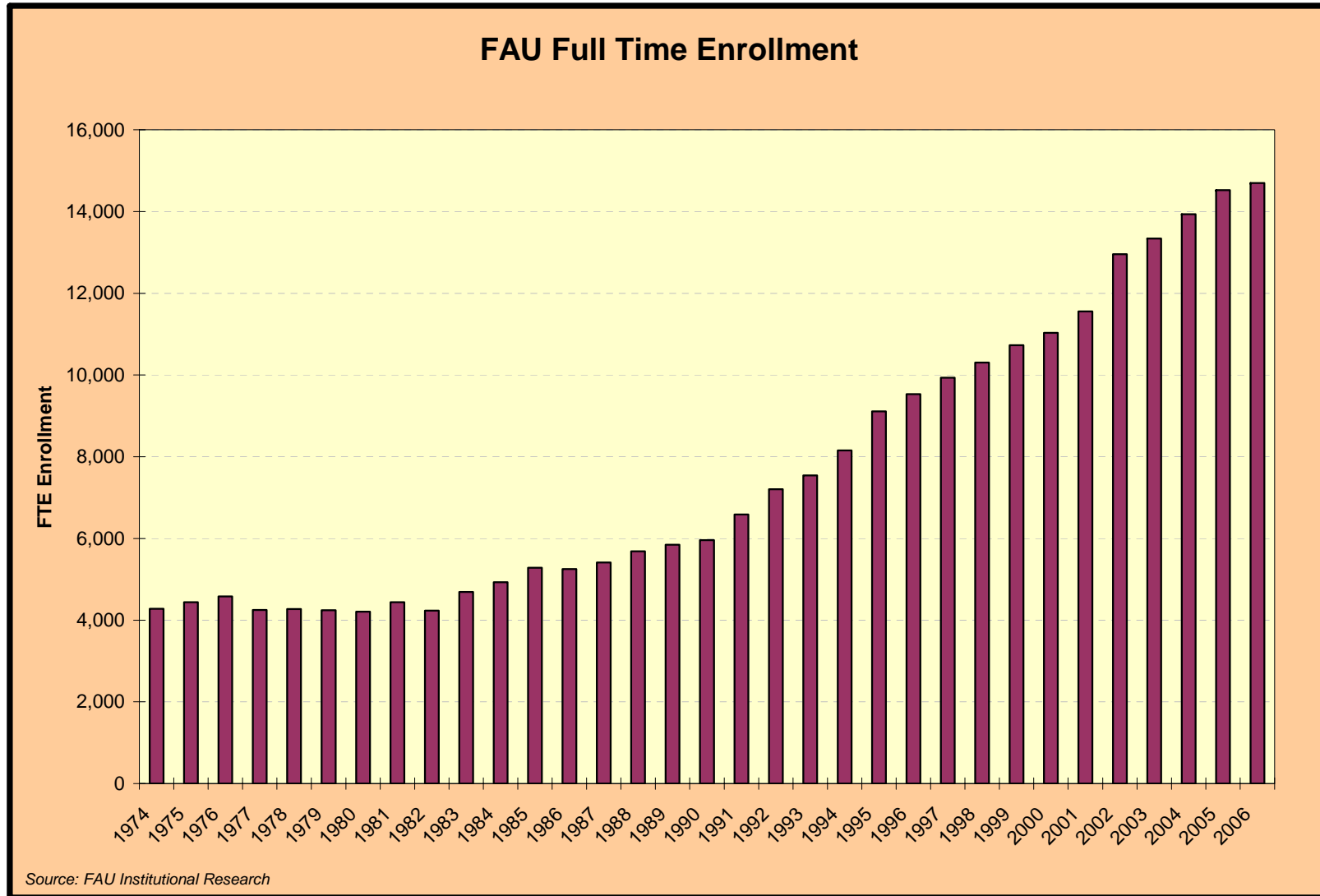


Figure 5-3

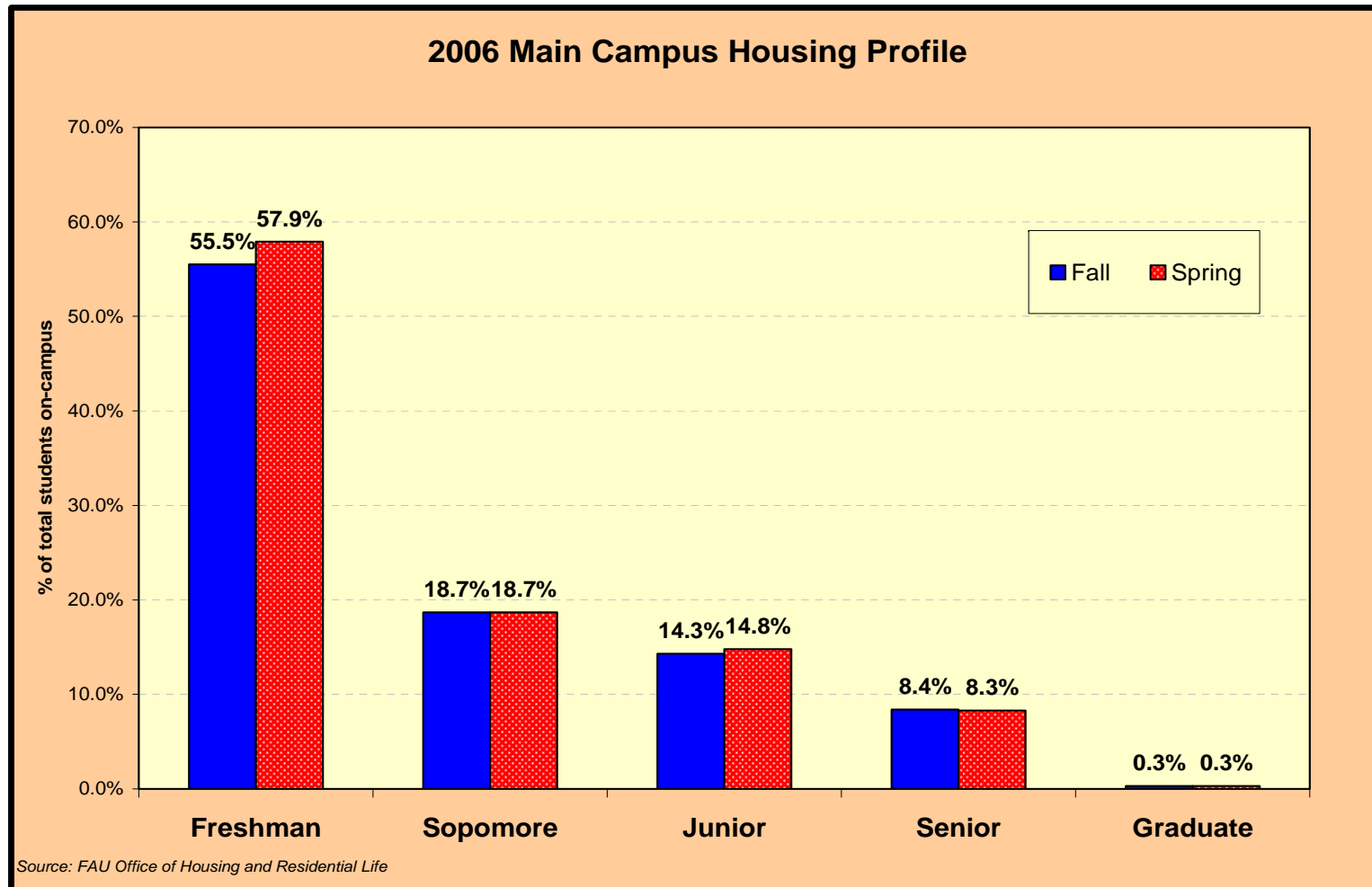


Figure 5-4

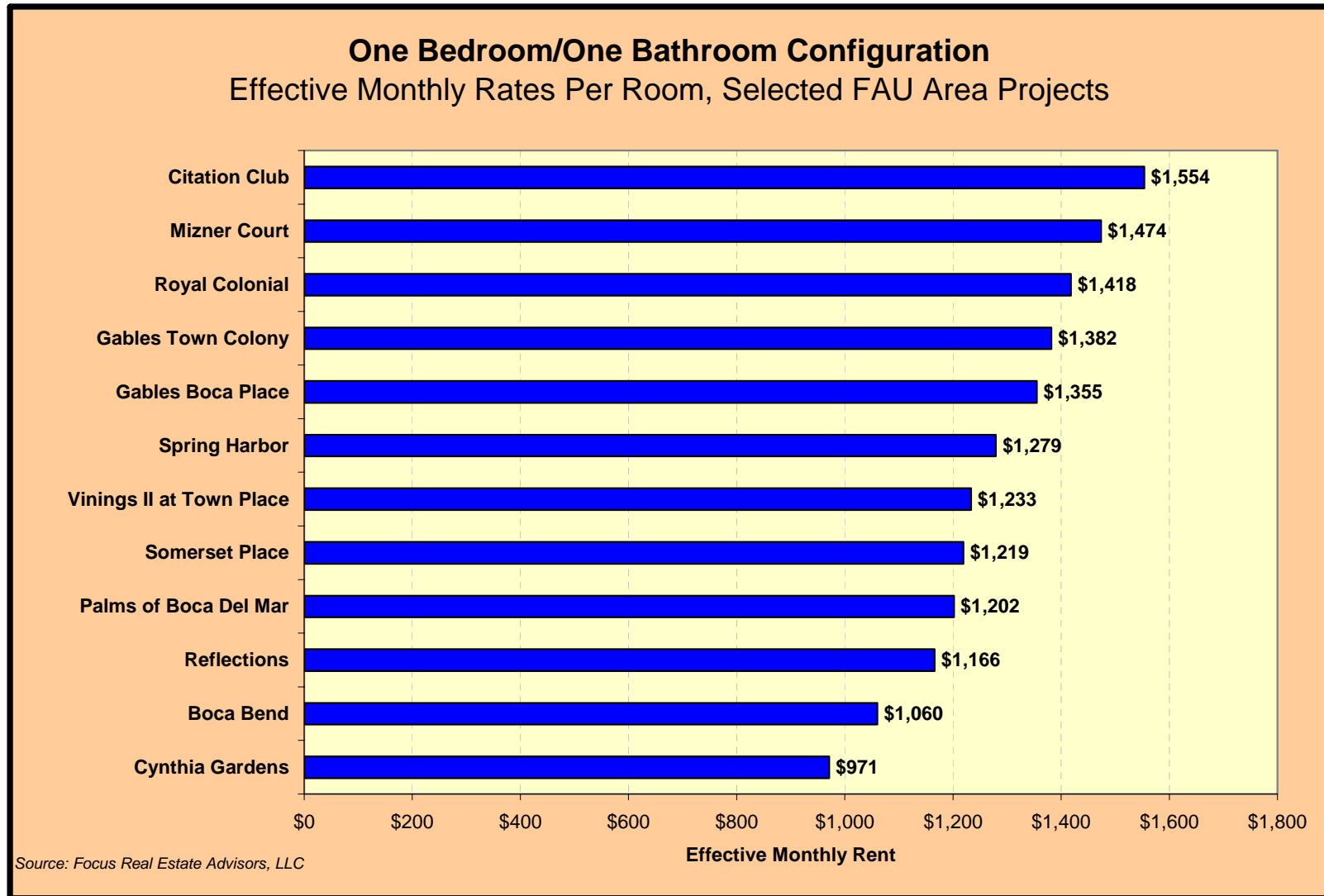


Figure 5-5

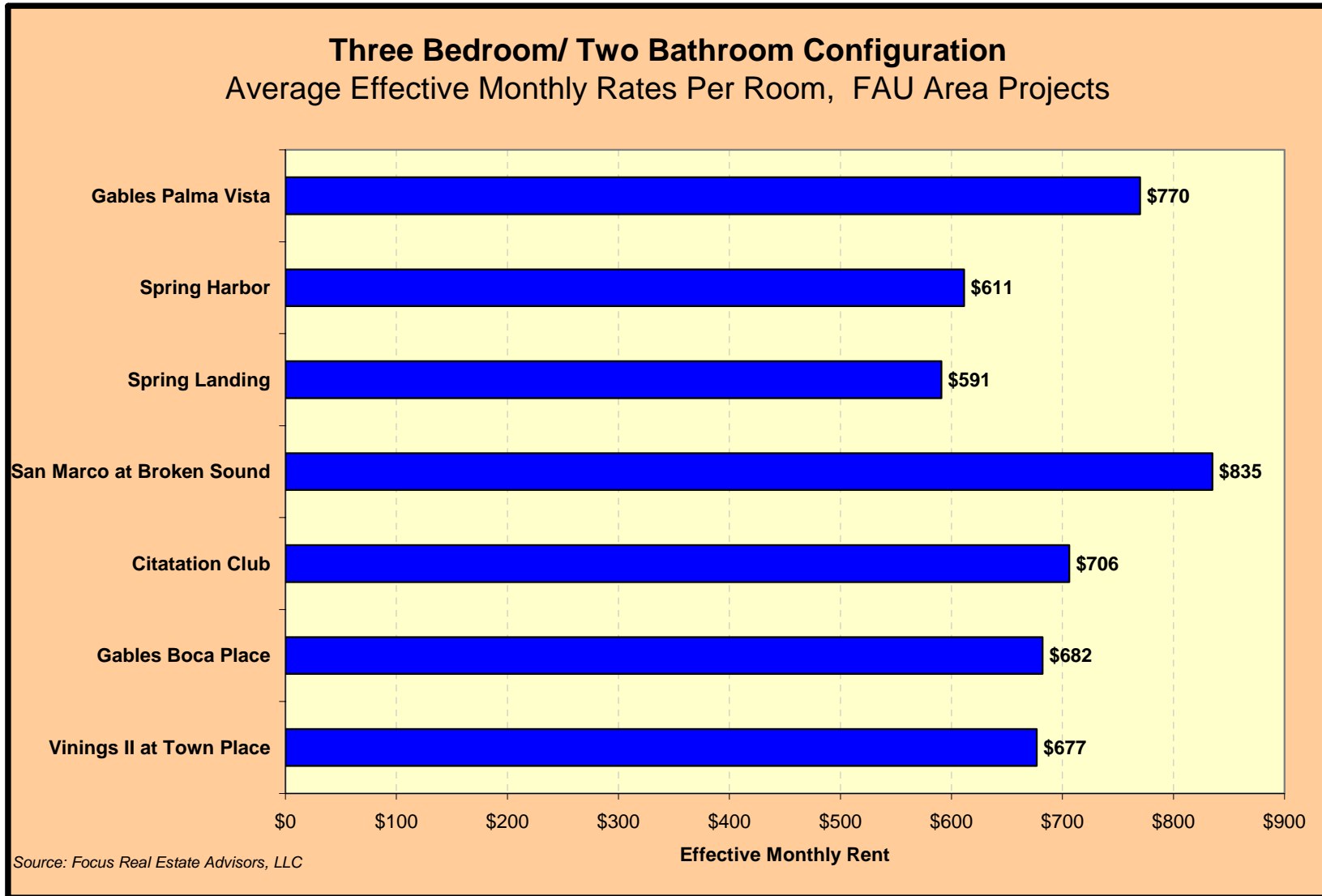
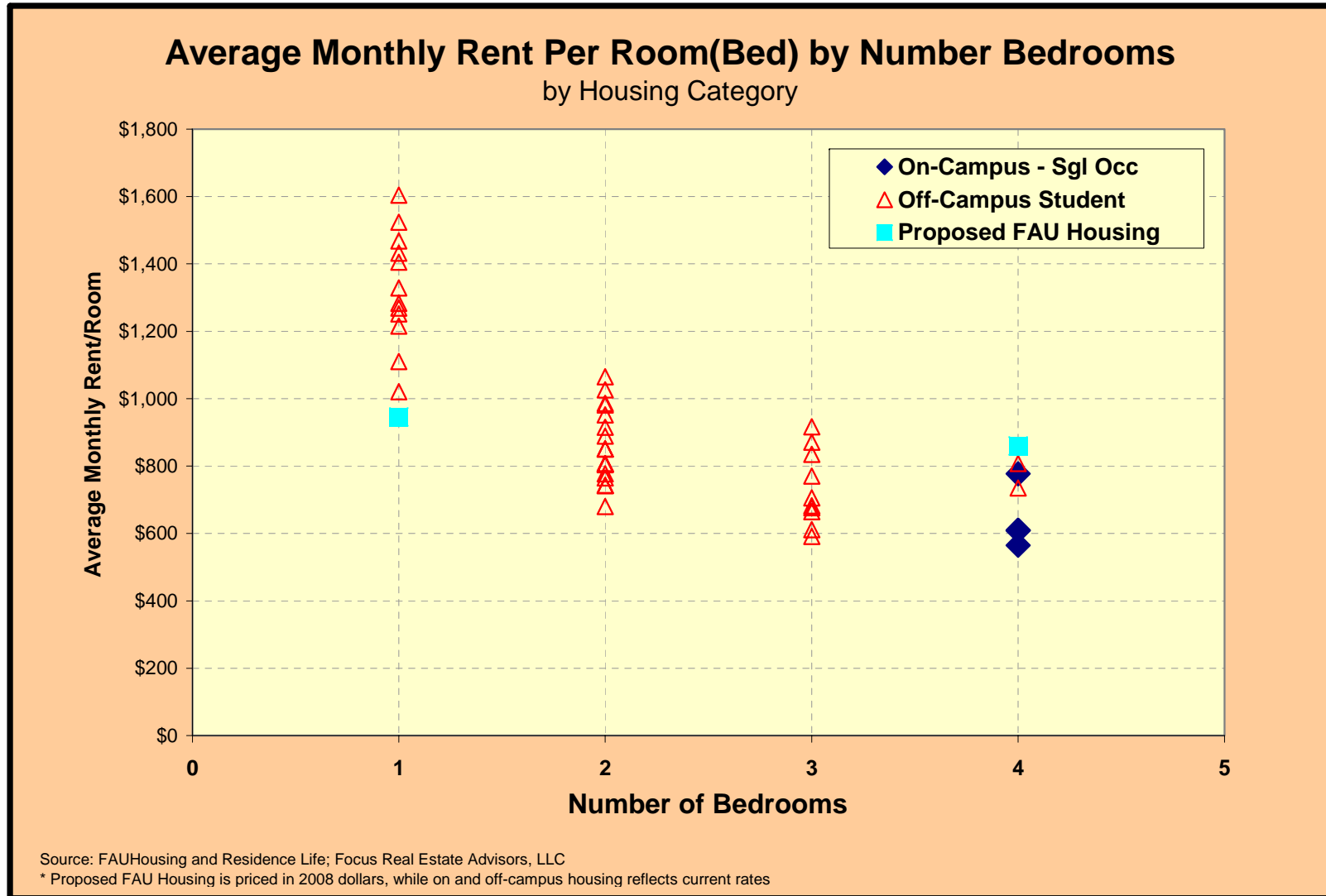


Figure 5-6





## **WORKFORCE HOUSING - A BRIEF OVERVIEW OF PALM BEACH COUNTY'S CURRENT HOUSING CONDITIONS**

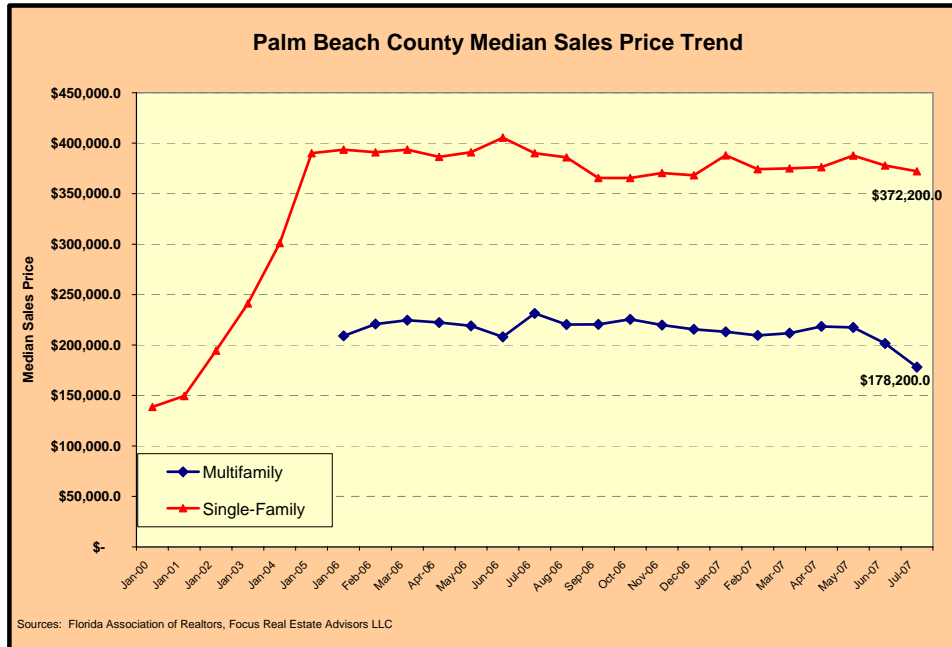
### **EXECUTIVE SUMMARY**

FAU recognizes the need to assist its and other public sector employees find affordable housing within Palm Beach County. As part of its commitment to addressing this issue, FAU requested that this study assess whether the Innovation Village project could yield a feasible solution at this time. Although we believe affordable housing for employees at FAU is necessary to attract and maintain qualified employees, we caution about the timing of any for-sale product in the current environment, especially with the continued tightening of mortgage lending standards. Additionally, building a specific product for a specific target market narrows the potential buyer pool in a market, which is experiencing slower sales across all product lines.

- Palm Beach County has long-suffered with low housing affordability, as continued influx of new residents and diminishing land resulted in rapidly escalating home prices.
- However, the housing market is weakening rapidly, and Palm Beach County has not been immune to the downturn. Sales prices for both single- and multi-family product continue to decline on a year-over-year basis, while sales activity continues to decline.
- The months-supply of multifamily product in Palm Beach County is currently at 28 months, when calculated using the past year's average sales pace. The months supply for multifamily product priced under \$250,000 is at 24 months.

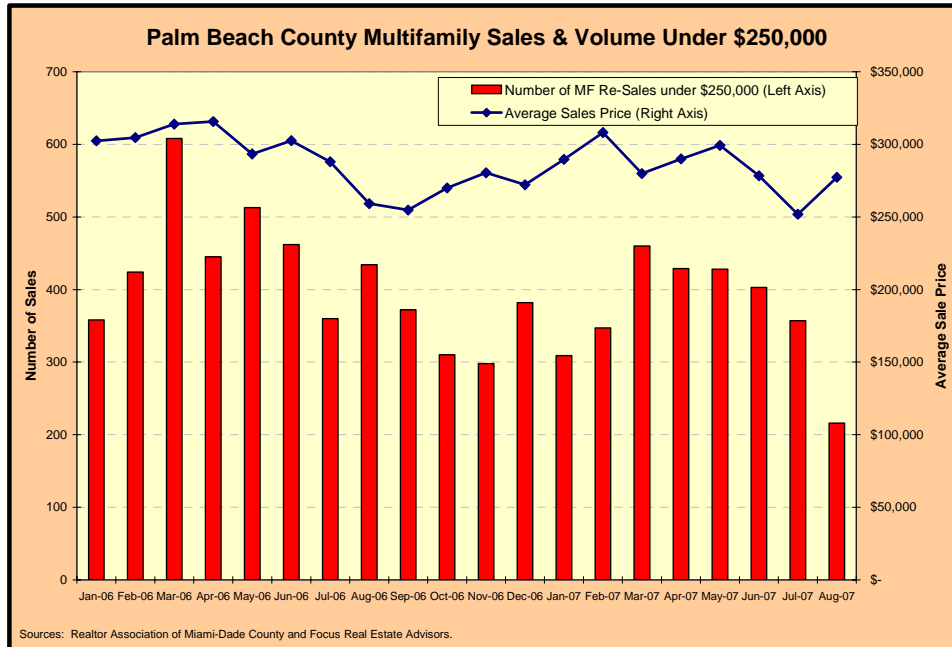
Palm Beach County has long-suffered with low housing affordability, as continued influx of new residents and diminishing land resulted in rapidly escalating home prices. According to the Florida Association of Realtors, the median price of an existing single family home sold in Palm Beach County has increased nearly 55% over the last five years (2003-present), making Palm Beach County one of the least affordable areas in Florida as well as the nation.

However, the housing environment is weakening rapidly, and Palm Beach County has not been immune to the downturn. Indeed, the current median single family home sale price of \$372,200 is 5% below the same period last year, and condominium sale price of \$178,200 is 23% below the same period last year. We expect a continued deterioration in home prices, especially as mortgage lending standards tighten and the market continues to experience a large amount of active resale listings.



Additionally, during the height of the housing boom in Palm Beach County, many investors purchased apartment complexes to convert into for-sale condominiums. REIS estimates approximately 15,000 apartment units were purchased for condominium conversion in Palm Beach County during the 2003 to 2006 period. This added a considerable amount of multifamily supply to the market. The weaker conditions have resulted in many of these condominium complexes reverting back to apartments. However, there is still an elevated level of multifamily product currently for sale on the market.

According to the Multiple Listing Service (MLS), Palm Beach County currently has 16,880 multifamily active listings, which translates into a 28 month supply of multifamily product on the market if the level of sales over the past year remains constant. The oversupply of multifamily product spreads across all price ranges, including the most affordable segment of the market. For multifamily product under \$250,000, the MLS shows 9,388 active listings, which at the current average sales pace of 390 units per month results in there being a 24 month supply of multifamily product priced under \$250,000 at the present time.



Despite the recent home price declines, Palm Beach County still remains relatively unaffordable to the average resident. According to the National Association of Homebuilders/Wells Fargo Housing Opportunity Index, only 28.4% of the homes in Palm Beach County are affordable for a resident that earns the median family income in the county. Therefore, we do conclude there is a need for affordable housing, especially for newer product in infill locations or reasonable commuting distance.

However, given the current weakness in the local housing market, we caution against any new construction, whether it be affordable or luxury. Potential buyers are aware of the conditions in the housing market, and are using caution before purchasing a home.

A good case study of this trend is the new-construction community of Green Cay Village, located in Boynton Beach, Florida. Green Cay is a mixed use (condominium, town home, villas and apartments) project located at the corner of Jog and Flavor Pict Road. The project is billed as affordable with the condominiums are selling from \$198,000 to \$250,900 and the town homes and villas for \$272,900 to \$299,900. Despite the relatively low unit price, sales for this property have been relatively weak since the project opened nearly two years ago. According to the Palm Beach County Property Appraiser, the project has closed 44% of total units (construction on Phase I, 260 units, is complete). Although many of the larger town homes are sold-out, the condominiums, ranging in size from 939 to 1,163 square feet, have been slower to sell.

**Green Cay Village  
Current Pricing/Program**

Unit Type	Number	% of Total	Bds	Bths	AC Sq. Ft.	Price Low	Price High	Price Average	Price Per Sq. Ft.	Mnthly Maint.
Condo	84	32%	2	2	939	\$198,900	\$210,900	\$204,900	\$218	\$271
Condo	16	6%	2	2	955	\$208,900	\$218,900	\$213,900	\$224	\$276
Condo	60	23%	3	2	1,163	\$224,900	\$250,900	\$237,900	\$205	\$336
Townhome	28	11%	2	2	1,302	\$229,900	\$229,900	\$229,900	\$177	\$240
Townhome	72	28%	3	2.5	1,395	\$272,900	\$292,900	\$282,900	\$203	\$240
<b>TOTALS/AVGS.</b>	<b>260</b>	<b>100%</b>			1,157			\$237,362	\$205	

Source: Focus Real Estate Advisors, LLC

The rental portion of the project is reserved for low to mid-income residents, which may be a reason the property's for-sale component has not sold well. These rentals are not fully occupied either, but the strict income restrictions and applicant requirements has prohibited a faster pace of lease-up.

Overall, we believe the above project is a good comparable, and reflective of potential buyers specific taste when it comes to new housing product.

Although we believe affordable housing for employees at FAU is necessary to attract and maintain qualified employees, we caution about the timing of any for-sale product in the current environment. Additionally, building a specific product for a specific target market narrows the potential buyer pool in a market which is experiencing slower sales across all product lines.

## **CONDITIONS FOR REAL ESTATE MARKET ANALYSIS STUDIES**

The following Standard Conditions apply to real estate consulting engagements performed by C.H. Johnson Consulting, Inc. (Johnson Consulting) & Focus Real Estate Advisors, LLC (FOCUS).

Reports may contain estimates of future sales/rental activity (e.g., absorption rates, sales values/rents, etc.) or other events that represent the consultant's view of reasonable expectations at a particular point in time, but such activities or events are not offered as predictions or as assurances that absorption levels will be achieved, that events will occur, or that indicated prices/rents will be offered or accepted. Actual results achieved during the period covered by our analyses will vary from those described in our report, and the variations may be material.

Information furnished by others is presumed to be reliable, and unless specified in the report to the contrary, has not been verified; no responsibility, whether legal or otherwise, is assumed for its accuracy, and it cannot be guaranteed as being certain.

No evaluation has been made by Johnson Consulting & FOCUS of the costs to purchase, develop and improve the property to the condition necessary to achieve the sales/rental activities or other events contained in the report. No investigation has been conducted by Johnson Consulting & FOCUS with respect to property title; the existence of liens, encumbrances, encroachments, easements or other discrepancies affecting the property; the existence of flood plains and concealed or dubious conditions of the subsoil or subsurface waters; the existence of government restrictions on the use of the property; or the existence of any concealed or apparent hazards such as, but not limited to, asbestos, hazardous or contaminated substances, toxic waste or radioactivity. It is assumed that the Client will obtain legal, engineering or other professional advice from others with regard to the foregoing matters. It is further assumed that the property will not operate in violation of any applicable government regulations, codes, ordinances or statutes.

The report and conclusions included herein are intended for the information of the person or persons to whom they are addressed, solely for the purposes stated therein, and should not be relied upon for any other purpose. In the event that the report is distributed to third parties, Johnson Consulting & FOCUS shall be held harmless relative to their use or reliance on the report for any purpose. Neither our report, nor its contents, nor any reference to the consultants of Johnson Consulting & FOCUS, may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, appraisal, loan or other agreement or document without our prior written permission. Generally, Johnson Consulting & FOCUS acting in the role of a consultant will not agree to the use of its name as a "named expert" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934.

Conclusions presented in our report reflect our assessment of market conditions as observed as of the current date of our market research (stated in the letter of transmittal.) Johnson Consulting & FOCUS assumes no liability for actual project results influenced by changing market conditions and other variables.

**FLORIDA ATLANTIC UNIVERSITY**  
**Innovation Village - Housing Project - Phase I**

	Series 2008			Series 2010			Series 2011			TOTALS		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
9/1/2008		713,375	713,375								713,375	713,375
9/1/2009		1,426,750	1,426,750								1,426,750	1,426,750
9/1/2010	600,000	1,426,750	2,026,750		837,875	837,875					600,000	2,264,625
9/1/2011	630,000	1,396,750	2,026,750		1,675,750	1,675,750			478,875		630,000	2,864,625
9/1/2012	660,000	1,365,250	2,025,250	700,000	1,675,750	2,375,750			957,750		1,360,000	3,551,375
9/1/2013	690,000	1,332,250	2,022,250	735,000	1,640,750	2,375,750	400,000		957,750		1,825,000	3,930,750
9/1/2014	725,000	1,297,750	2,022,750	775,000	1,604,000	2,379,000	420,000		937,750		1,920,000	3,839,500
9/1/2015	765,000	1,261,500	2,026,500	815,000	1,565,250	2,380,250	440,000		916,750		2,020,000	3,743,500
9/1/2016	800,000	1,223,250	2,023,250	855,000	1,524,500	2,379,500	465,000		894,750		2,120,000	3,642,500
9/1/2017	840,000	1,183,250	2,023,250	895,000	1,481,750	2,376,750	490,000		871,500		2,225,000	3,536,500
9/1/2018	885,000	1,141,250	2,026,250	940,000	1,437,000	2,377,000	510,000		847,000		2,335,000	3,425,250
9/1/2019	925,000	1,097,000	2,022,000	990,000	1,390,000	2,380,000	540,000		821,500		2,455,000	3,308,500
9/1/2020	975,000	1,050,750	2,025,750	1,035,000	1,340,500	2,375,500	565,000		794,500		2,575,000	3,185,750
9/1/2021	1,020,000	1,002,000	2,022,000	1,090,000	1,288,750	2,378,750	595,000		766,250		2,705,000	3,057,000
9/1/2022	1,075,000	951,000	2,026,000	1,145,000	1,234,250	2,379,250	620,000		736,500		2,840,000	2,921,750
9/1/2023	1,125,000	897,250	2,022,250	1,200,000	1,177,000	2,377,000	655,000		705,500		2,980,000	2,779,750
9/1/2024	1,185,000	841,000	2,026,000	1,260,000	1,117,000	2,377,000	685,000		672,750		3,130,000	2,630,750
9/1/2025	1,245,000	781,750	2,026,750	1,325,000	1,054,000	2,379,000	720,000		638,500		3,290,000	2,474,250
9/1/2026	1,305,000	719,500	2,024,500	1,390,000	987,750	2,377,750	755,000		602,500		3,450,000	2,309,750
9/1/2027	1,370,000	654,250	2,024,250	1,460,000	918,250	2,378,250	795,000		564,750		3,625,000	2,137,250
9/1/2028	1,440,000	585,750	2,025,750	1,535,000	845,250	2,380,250	835,000		525,000		3,810,000	1,956,000
9/1/2029	1,510,000	513,750	2,023,750	1,610,000	768,500	2,378,500	875,000		483,250		3,995,000	1,765,500
9/1/2030	1,585,000	438,250	2,023,250	1,690,000	688,000	2,378,000	920,000		439,500		4,195,000	1,565,750
9/1/2031	1,665,000	359,000	2,024,000	1,775,000	603,500	2,378,500	965,000		393,500		4,405,000	1,356,000
9/1/2032	1,750,000	275,750	2,025,750	1,865,000	514,750	2,379,750	1,015,000		345,250		4,630,000	1,135,750
9/1/2033	1,835,000	188,250	2,023,250	1,955,000	421,500	2,376,500	1,065,000		294,500		4,855,000	904,250
9/1/2034	1,930,000	96,500	2,026,500	2,055,000	323,750	2,378,750	1,120,000		241,250		5,105,000	661,500
9/1/2035				2,155,000	221,000	2,376,000	1,175,000		185,250		3,330,000	406,250
9/1/2036				2,265,000	113,250	2,378,250	1,235,000		126,500		3,500,000	239,750
9/1/2037							1,295,000		64,750		1,295,000	64,750
<b>TOTALS</b>	<b>28,535,000</b>	<b>24,219,875</b>	<b>52,754,875</b>	<b>33,515,000</b>	<b>28,449,625</b>	<b>61,964,625</b>	<b>19,155,000</b>	<b>16,263,625</b>	<b>35,418,625</b>	<b>81,205,000</b>	<b>68,933,125</b>	<b>150,138,125</b>

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SOURCES AND USES OF FUNDS

Florida Atlantic University  
Innovation Village - Housing - Phase I  
Series 2008

Dated Date	03/01/2008
Delivery Date	03/01/2008

Sources:

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Bond Proceeds:	
Par Amount	28,535,000.00
	<hr/>
	28,535,000.00

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Uses:

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Other Fund Deposits:	
Capitalized Interest Fund thru 9/1/2009	2,034,810.18
Delivery Date Expenses:	
Cost of Issuance	250,000.00
Underwriter's Discount	142,675.00
Bond Insurance Premium @ 65 b.p.	342,906.69
Surety Bond Premium @ 3%	<hr/> 60,802.50
	796,384.19
Other Uses of Funds:	
Additional Proceeds	25,703,805.63
	<hr/>
	28,535,000.00

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BOND SUMMARY STATISTICS

Florida Atlantic University  
Innovation Village - Housing - Phase I  
Series 2008

Dated Date	03/01/2008
Delivery Date	03/01/2008
Last Maturity	09/01/2034
Arbitrage Yield	5.132316%
True Interest Cost (TIC)	5.179753%
Net Interest Cost (NIC)	5.029454%
All-In TIC	5.263745%
Average Coupon	5.000000%
Average Life (years)	16.976
Duration of Issue (years)	10.827
Par Amount	28,535,000.00
Bond Proceeds	28,535,000.00
Total Interest	24,219,875.00
Net Interest	24,362,550.00
Total Debt Service	52,754,875.00
Maximum Annual Debt Service	2,026,750.00
Average Annual Debt Service	1,990,750.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	28,535,000.00	100.000	5.000%	16.976
	28,535,000.00			16.976

	TIC	All-In TIC	Arbitrage Yield
Par Value	28,535,000.00	28,535,000.00	28,535,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-142,675.00	-142,675.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts	-403,709.19	-403,709.19	-403,709.19
Target Value	27,988,615.81	27,738,615.81	28,131,290.81
Target Date	03/01/2008	03/01/2008	03/01/2008
Yield	5.179753%	5.263745%	5.132316%



BOND DEBT SERVICE

Florida Atlantic University  
Innovation Village - Housing - Phase I  
Series 2008

Dated Date 03/01/2008  
Delivery Date 03/01/2008

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2008			713,375	713,375
09/01/2009			1,426,750	1,426,750
09/01/2010	600,000	5.000%	1,426,750	2,026,750
09/01/2011	630,000	5.000%	1,396,750	2,026,750
09/01/2012	660,000	5.000%	1,365,250	2,025,250
09/01/2013	690,000	5.000%	1,332,250	2,022,250
09/01/2014	725,000	5.000%	1,297,750	2,022,750
09/01/2015	765,000	5.000%	1,261,500	2,026,500
09/01/2016	800,000	5.000%	1,223,250	2,023,250
09/01/2017	840,000	5.000%	1,183,250	2,023,250
09/01/2018	885,000	5.000%	1,141,250	2,026,250
09/01/2019	925,000	5.000%	1,097,000	2,022,000
09/01/2020	975,000	5.000%	1,050,750	2,025,750
09/01/2021	1,020,000	5.000%	1,002,000	2,022,000
09/01/2022	1,075,000	5.000%	951,000	2,026,000
09/01/2023	1,125,000	5.000%	897,250	2,022,250
09/01/2024	1,185,000	5.000%	841,000	2,026,000
09/01/2025	1,245,000	5.000%	781,750	2,026,750
09/01/2026	1,305,000	5.000%	719,500	2,024,500
09/01/2027	1,370,000	5.000%	654,250	2,024,250
09/01/2028	1,440,000	5.000%	585,750	2,025,750
09/01/2029	1,510,000	5.000%	513,750	2,023,750
09/01/2030	1,585,000	5.000%	438,250	2,023,250
09/01/2031	1,665,000	5.000%	359,000	2,024,000
09/01/2032	1,750,000	5.000%	275,750	2,025,750
09/01/2033	1,835,000	5.000%	188,250	2,023,250
09/01/2034	1,930,000	5.000%	96,500	2,026,500
	28,535,000		24,219,875	52,754,875

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RESERVE FUND

Florida Atlantic University  
Innovation Village - Housing - Phase I  
Series 2008

Capitalized Interest Fund thru 9/1/2009 (CAPI)

Date	Deposit	Interest @ 5.1323158%	Principal	Scheduled Draws	Balance
03/01/2008	2,034,810.18				2,034,810.18
09/01/2008		52,216.44	661,158.56	713,375	1,373,651.62
03/01/2009		35,250.07	678,124.93	713,375	695,526.69
09/01/2009		17,848.31	695,526.69	713,375	
	2,034,810.18	105,314.82	2,034,810.18	2,140,125	

Yield To Receipt Date: 5.1323156%  
Arbitrage Yield: 5.1323158%  
Value of Negative Arbitrage: 0.00

BOND SOLUTION

Florida Atlantic University  
Innovation Village - Housing - Phase I  
Series 2008

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
09/01/2008		713,375	713,375		-713,375	
09/01/2009		1,426,750	1,426,750	2,026,988	600,238	142.07030%
09/01/2010	600,000	2,026,750	2,026,750	2,026,988	238	100.01174%
09/01/2011	630,000	2,026,750	2,026,750	2,026,988	238	100.01174%
09/01/2012	660,000	2,025,250	2,025,250	2,026,988	1,738	100.08582%
09/01/2013	690,000	2,022,250	2,022,250	2,026,988	4,738	100.23429%
09/01/2014	725,000	2,022,750	2,022,750	2,026,988	4,238	100.20952%
09/01/2015	765,000	2,026,500	2,026,500	2,026,988	488	100.02408%
09/01/2016	800,000	2,023,250	2,023,250	2,026,988	3,738	100.18475%
09/01/2017	840,000	2,023,250	2,023,250	2,026,988	3,738	100.18475%
09/01/2018	885,000	2,026,250	2,026,250	2,026,988	738	100.03642%
09/01/2019	925,000	2,022,000	2,022,000	2,026,988	4,988	100.24669%
09/01/2020	975,000	2,025,750	2,025,750	2,026,988	1,238	100.06111%
09/01/2021	1,020,000	2,022,000	2,022,000	2,026,988	4,988	100.24669%
09/01/2022	1,075,000	2,026,000	2,026,000	2,026,988	988	100.04877%
09/01/2023	1,125,000	2,022,250	2,022,250	2,026,988	4,738	100.23429%
09/01/2024	1,185,000	2,026,000	2,026,000	2,026,988	988	100.04877%
09/01/2025	1,245,000	2,026,750	2,026,750	2,026,988	238	100.01174%
09/01/2026	1,305,000	2,024,500	2,024,500	2,026,988	2,488	100.12289%
09/01/2027	1,370,000	2,024,250	2,024,250	2,026,988	2,738	100.13526%
09/01/2028	1,440,000	2,025,750	2,025,750	2,026,988	1,238	100.06111%
09/01/2029	1,510,000	2,023,750	2,023,750	2,026,988	3,238	100.16000%
09/01/2030	1,585,000	2,023,250	2,023,250	2,026,988	3,738	100.18475%
09/01/2031	1,665,000	2,024,000	2,024,000	2,026,988	2,988	100.14763%
09/01/2032	1,750,000	2,025,750	2,025,750	2,026,988	1,238	100.06111%
09/01/2033	1,835,000	2,023,250	2,023,250	2,026,988	3,738	100.18475%
09/01/2034	1,930,000	2,026,500	2,026,500	2,026,988	488	100.02408%
	28,535,000	52,754,875	52,754,875	52,701,688	-53,187	

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SOURCES AND USES OF FUNDS

Florida Atlantic University  
Innovation Village - Housing, Series 2010

Dated Date 03/01/2010  
Delivery Date 03/01/2010

Sources:

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Bond Proceeds:  
Par Amount 33,515,000.00

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33,515,000.00

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Uses:

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Other Fund Deposits:  
Capitalized Interest Fund thru 9/1/2011 2,389,930.63

Delivery Date Expenses:  
Cost of Issuance 250,000.00  
Underwriter's Discount 167,575.00  
Bond Insurance Premium @ 65 b.p. 402,770.06  
Surety Bond Premium @ 3% 71,407.50

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891,752.56

Other Uses of Funds:  
Additional Proceeds 30,233,316.81

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33,515,000.00

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BOND SUMMARY STATISTICS

Florida Atlantic University  
Innovation Village - Housing, Series 2010

Dated Date	03/01/2010
Delivery Date	03/01/2010
Last Maturity	09/01/2036
Arbitrage Yield	5.132304%
True Interest Cost (TIC)	5.179736%
Net Interest Cost (NIC)	5.029451%
All-In TIC	5.251168%
Average Coupon	5.000000%
Average Life (years)	16.977
Duration of Issue (years)	10.828
Par Amount	33,515,000.00
Bond Proceeds	33,515,000.00
Total Interest	28,449,625.00
Net Interest	28,617,200.00
Total Debt Service	61,964,625.00
Maximum Annual Debt Service	2,380,250.00
Average Annual Debt Service	2,338,287.74
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	33,515,000.00	100.000	5.000%	16.977
	33,515,000.00			16.977

	TIC	All-In TIC	Arbitrage Yield
Par Value	33,515,000.00	33,515,000.00	33,515,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-167,575.00	-167,575.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts	-474,177.56	-474,177.56	-474,177.56
Target Value	32,873,247.44	32,623,247.44	33,040,822.44
Target Date	03/01/2010	03/01/2010	03/01/2010
Yield	5.179736%	5.251168%	5.132304%

BOND DEBT SERVICE

Florida Atlantic University  
Innovation Village - Housing, Series 2010

Dated Date 03/01/2010  
Delivery Date 03/01/2010

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2010			837,875	837,875
09/01/2011			1,675,750	1,675,750
09/01/2012	700,000	5.000%	1,675,750	2,375,750
09/01/2013	735,000	5.000%	1,640,750	2,375,750
09/01/2014	775,000	5.000%	1,604,000	2,379,000
09/01/2015	815,000	5.000%	1,565,250	2,380,250
09/01/2016	855,000	5.000%	1,524,500	2,379,500
09/01/2017	895,000	5.000%	1,481,750	2,376,750
09/01/2018	940,000	5.000%	1,437,000	2,377,000
09/01/2019	990,000	5.000%	1,390,000	2,380,000
09/01/2020	1,035,000	5.000%	1,340,500	2,375,500
09/01/2021	1,090,000	5.000%	1,288,750	2,378,750
09/01/2022	1,145,000	5.000%	1,234,250	2,379,250
09/01/2023	1,200,000	5.000%	1,177,000	2,377,000
09/01/2024	1,260,000	5.000%	1,117,000	2,377,000
09/01/2025	1,325,000	5.000%	1,054,000	2,379,000
09/01/2026	1,390,000	5.000%	987,750	2,377,750
09/01/2027	1,460,000	5.000%	918,250	2,378,250
09/01/2028	1,535,000	5.000%	845,250	2,380,250
09/01/2029	1,610,000	5.000%	768,500	2,378,500
09/01/2030	1,690,000	5.000%	688,000	2,378,000
09/01/2031	1,775,000	5.000%	603,500	2,378,500
09/01/2032	1,865,000	5.000%	514,750	2,379,750
09/01/2033	1,955,000	5.000%	421,500	2,376,500
09/01/2034	2,055,000	5.000%	323,750	2,378,750
09/01/2035	2,155,000	5.000%	221,000	2,376,000
09/01/2036	2,265,000	5.000%	113,250	2,378,250
	33,515,000		28,449,625	61,964,625

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RESERVE FUND

Florida Atlantic University  
Innovation Village - Housing, Series 2010

Capitalized Interest Fund thru 9/1/2011 (CAPINT)

Date	Deposit	Interest @ 5.1323042%	Principal	Scheduled Draws	Balance
03/01/2010	2,389,930.63				2,389,930.63
09/01/2010		61,329.26	776,545.74	837,875	1,613,384.89
03/01/2011		41,401.91	796,473.09	837,875	816,911.80
09/01/2011		20,963.20	816,911.80	837,875	
	2,389,930.63	123,694.37	2,389,930.63	2,513,625	

Yield To Receipt Date: 5.1323044%  
Arbitrage Yield: 5.1323042%  
Value of Positive Arbitrage: 0.00

BOND SOLUTION

Florida Atlantic University  
Innovation Village - Housing, Series 2010

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
09/01/2010		837,875	837,875		-837,875	
09/01/2011		1,675,750	1,675,750	2,380,656	704,906	142.06511%
09/01/2012	700,000	2,375,750	2,375,750	2,380,656	4,906	100.20650%
09/01/2013	735,000	2,375,750	2,375,750	2,380,656	4,906	100.20650%
09/01/2014	775,000	2,379,000	2,379,000	2,380,656	1,656	100.06961%
09/01/2015	815,000	2,380,250	2,380,250	2,380,656	406	100.01706%
09/01/2016	855,000	2,379,500	2,379,500	2,380,656	1,156	100.04858%
09/01/2017	895,000	2,376,750	2,376,750	2,380,656	3,906	100.16434%
09/01/2018	940,000	2,377,000	2,377,000	2,380,656	3,656	100.15381%
09/01/2019	990,000	2,380,000	2,380,000	2,380,656	656	100.02756%
09/01/2020	1,035,000	2,375,500	2,375,500	2,380,656	5,156	100.21705%
09/01/2021	1,090,000	2,378,750	2,378,750	2,380,656	1,906	100.08013%
09/01/2022	1,145,000	2,379,250	2,379,250	2,380,656	1,406	100.05909%
09/01/2023	1,200,000	2,377,000	2,377,000	2,380,656	3,656	100.15381%
09/01/2024	1,260,000	2,377,000	2,377,000	2,380,656	3,656	100.15381%
09/01/2025	1,325,000	2,379,000	2,379,000	2,380,656	1,656	100.06961%
09/01/2026	1,390,000	2,377,750	2,377,750	2,380,656	2,906	100.12222%
09/01/2027	1,460,000	2,378,250	2,378,250	2,380,656	2,406	100.10117%
09/01/2028	1,535,000	2,380,250	2,380,250	2,380,656	406	100.01706%
09/01/2029	1,610,000	2,378,500	2,378,500	2,380,656	2,156	100.09065%
09/01/2030	1,690,000	2,378,000	2,378,000	2,380,656	2,656	100.11169%
09/01/2031	1,775,000	2,378,500	2,378,500	2,380,656	2,156	100.09065%
09/01/2032	1,865,000	2,379,750	2,379,750	2,380,656	906	100.03807%
09/01/2033	1,955,000	2,376,500	2,376,500	2,380,656	4,156	100.17488%
09/01/2034	2,055,000	2,378,750	2,378,750	2,380,656	1,906	100.08013%
09/01/2035	2,155,000	2,376,000	2,376,000	2,380,656	4,656	100.19596%
09/01/2036	2,265,000	2,378,250	2,378,250	2,380,656	2,406	100.10117%
	33,515,000	61,964,625	61,964,625	61,897,056	-67,569	



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SOURCES AND USES OF FUNDS

Florida Atlantic University  
Innovation Village - Housing, Series 2011

Dated Date           03/01/2011  
Delivery Date       03/01/2011

Sources:

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Bond Proceeds:	
Par Amount	19,155,000.00
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	19,155,000.00

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Uses:

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Other Fund Deposits:	
Capitalized Interest Fund thru 9/1/2012	1,365,929.23
Delivery Date Expenses:	
Cost of Issuance	250,000.00
Underwriter's Discount	95,775.00
Bond Insurance Premium @ 65 b.p.	230,221.06
Surety Bond Premium @ 3%	40,845.00
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	616,841.06
Other Uses of Funds:	
Additional Proceeds	17,172,229.71
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	19,155,000.00

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BOND SUMMARY STATISTICS

Florida Atlantic University  
Innovation Village - Housing, Series 2011

Dated Date	03/01/2011
Delivery Date	03/01/2011
Last Maturity	09/01/2037
Arbitrage Yield	5.132311%
True Interest Cost (TIC)	5.179735%
Net Interest Cost (NIC)	5.029445%
All-In TIC	5.305235%
Average Coupon	5.000000%
Average Life (years)	16.981
Duration of Issue (years)	10.830
Par Amount	19,155,000.00
Bond Proceeds	19,155,000.00
Total Interest	16,263,625.00
Net Interest	16,359,400.00
Total Debt Service	35,418,625.00
Maximum Annual Debt Service	1,361,500.00
Average Annual Debt Service	1,336,551.89
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	19,155,000.00	100.000	5.000%	16.981
	19,155,000.00			16.981

	TIC	All-In TIC	Arbitrage Yield
Par Value	19,155,000.00	19,155,000.00	19,155,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-95,775.00	-95,775.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts	-271,066.06	-271,066.06	-271,066.06
Target Value	18,788,158.94	18,538,158.94	18,883,933.94
Target Date	03/01/2011	03/01/2011	03/01/2011
Yield	5.179735%	5.305235%	5.132311%

BOND DEBT SERVICE

Florida Atlantic University  
Innovation Village - Housing, Series 2011

Dated Date 03/01/2011  
Delivery Date 03/01/2011

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2011			478,875	478,875
09/01/2012			957,750	957,750
09/01/2013	400,000	5.000%	957,750	1,357,750
09/01/2014	420,000	5.000%	937,750	1,357,750
09/01/2015	440,000	5.000%	916,750	1,356,750
09/01/2016	465,000	5.000%	894,750	1,359,750
09/01/2017	490,000	5.000%	871,500	1,361,500
09/01/2018	510,000	5.000%	847,000	1,357,000
09/01/2019	540,000	5.000%	821,500	1,361,500
09/01/2020	565,000	5.000%	794,500	1,359,500
09/01/2021	595,000	5.000%	766,250	1,361,250
09/01/2022	620,000	5.000%	736,500	1,356,500
09/01/2023	655,000	5.000%	705,500	1,360,500
09/01/2024	685,000	5.000%	672,750	1,357,750
09/01/2025	720,000	5.000%	638,500	1,358,500
09/01/2026	755,000	5.000%	602,500	1,357,500
09/01/2027	795,000	5.000%	564,750	1,359,750
09/01/2028	835,000	5.000%	525,000	1,360,000
09/01/2029	875,000	5.000%	483,250	1,358,250
09/01/2030	920,000	5.000%	439,500	1,359,500
09/01/2031	965,000	5.000%	393,500	1,358,500
09/01/2032	1,015,000	5.000%	345,250	1,360,250
09/01/2033	1,065,000	5.000%	294,500	1,359,500
09/01/2034	1,120,000	5.000%	241,250	1,361,250
09/01/2035	1,175,000	5.000%	185,250	1,360,250
09/01/2036	1,235,000	5.000%	126,500	1,361,500
09/01/2037	1,295,000	5.000%	64,750	1,359,750
	19,155,000		16,263,625	35,418,625

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RESERVE FUND

Florida Atlantic University  
Innovation Village - Housing, Series 2011

Capitalized Interest Fund thru 9/1/2012 (CAPINT)

Date	Deposit	Interest @ 5.1323113%	Principal	Scheduled Draws	Balance
03/01/2011	1,365,929.23				1,365,929.23
09/01/2011		35,051.87	443,823.13	478,875	922,106.10
03/01/2012		23,662.68	455,212.32	478,875	466,893.78
09/01/2012		11,981.22	466,893.78	478,875	
	1,365,929.23	70,695.77	1,365,929.23	1,436,625	

Yield To Receipt Date: 5.1323114%  
Arbitrage Yield: 5.1323113%  
Value of Positive Arbitrage: 0.00

BOND SOLUTION

Florida Atlantic University  
Innovation Village - Housing, Series 2011

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
09/01/2011		478,875	478,875		-478,875	
09/01/2012		957,750	957,750	1,361,613	403,863	142.16789%
09/01/2013	400,000	1,357,750	1,357,750	1,361,613	3,863	100.28451%
09/01/2014	420,000	1,357,750	1,357,750	1,361,613	3,863	100.28451%
09/01/2015	440,000	1,356,750	1,356,750	1,361,613	4,863	100.35843%
09/01/2016	465,000	1,359,750	1,359,750	1,361,613	1,863	100.13701%
09/01/2017	490,000	1,361,500	1,361,500	1,361,613	113	100.00830%
09/01/2018	510,000	1,357,000	1,357,000	1,361,613	4,613	100.33994%
09/01/2019	540,000	1,361,500	1,361,500	1,361,613	113	100.00830%
09/01/2020	565,000	1,359,500	1,359,500	1,361,613	2,113	100.15542%
09/01/2021	595,000	1,361,250	1,361,250	1,361,613	363	100.02667%
09/01/2022	620,000	1,356,500	1,356,500	1,361,613	5,113	100.37693%
09/01/2023	655,000	1,360,500	1,360,500	1,361,613	1,113	100.08181%
09/01/2024	685,000	1,357,750	1,357,750	1,361,613	3,863	100.28451%
09/01/2025	720,000	1,358,500	1,358,500	1,361,613	3,113	100.22915%
09/01/2026	755,000	1,357,500	1,357,500	1,361,613	4,113	100.30298%
09/01/2027	795,000	1,359,750	1,359,750	1,361,613	1,863	100.13701%
09/01/2028	835,000	1,360,000	1,360,000	1,361,613	1,613	100.11860%
09/01/2029	875,000	1,358,250	1,358,250	1,361,613	3,363	100.24760%
09/01/2030	920,000	1,359,500	1,359,500	1,361,613	2,113	100.15542%
09/01/2031	965,000	1,358,500	1,358,500	1,361,613	3,113	100.22915%
09/01/2032	1,015,000	1,360,250	1,360,250	1,361,613	1,363	100.10020%
09/01/2033	1,065,000	1,359,500	1,359,500	1,361,613	2,113	100.15542%
09/01/2034	1,120,000	1,361,250	1,361,250	1,361,613	363	100.02667%
09/01/2035	1,175,000	1,360,250	1,360,250	1,361,613	1,363	100.10020%
09/01/2036	1,235,000	1,361,500	1,361,500	1,361,613	113	100.00830%
09/01/2037	1,295,000	1,359,750	1,359,750	1,361,613	1,863	100.13701%
	19,155,000	35,418,625	35,418,625	35,401,938	-16,687	



**FAU On-Campus Stadium Proposed Schedule**  
 Florida Atlantic University's Boca Raton Campus  
 30,000 seat capacity

**Proposed Project Schedule:**

<b><u>Activity</u></b>	<b><u>Start</u></b>	<b><u>End</u></b>	<b><u>Duration</u></b>
FAU BOT Project Authorization	09/18/2007	09/18/2007	1 Day
<b><u>Financial Timeline</u></b>			
Draft Letter of Credit (LOC), Trustee and Remarketing Agent RFPs	09/19/2007	10/15/2007	26
Publication and Distribution of RFP to Banks, Trustee and Remarketing Agents, Rating Agencies, Bond Insurers, and credit enhancers	10/15/2007	10/15/2007	1
Meetings with Board of Governors (BOG) Staff, Division of Bond Finance, Rating Agencies, Bond Insurers, and Credit Enhancers	10/16/2007	11/16/2007	30
Update FAU BOT Committees	10/24/2007	10/24/2007	1

Site Visit and Financing Presentation for LOC and Remarketing Agents	11/05/2007	11/09/2007	5
Letter of Credit RFP Responses Due	11/12/2007	11/12/2007	1
Update FAU BOT; Approve Creation of Special Purpose Financing Entity (SPE)	11/14/2007	11/14/2007	1
Selection of LOC, Remarketing Agent and Trustee or Rating Agency, Bond Insurer, and Credit Enhancer	11/15/2007	02/15/2008	90
FAU BOT and Committee Updates and Approvals	01/01/2008	03/31/2008	90
FAU BOT Final Approvals: Bond Resolutions, Delegation to SPE, SPE Bond Approval	04/01/2008	06/30/2008	90
BOG Approval	07/01/2008	09/30/2008	90
Rating, Pricing, Rate Swap, Pre-Closing, Closing	30 days after BOG approval		30

**Construction Timeline**

Architect/Engineer/Construction Manager RFP and Selections	03/01/2008	06/30/2008	120
A/E/CM/Negotiations/Contracts	07/01/2008	07/31/2008	31
Design/Preconstruction	08/01/2008	03/14/2009	225
Guaranteed Maximum Price and Permitting	03/15/2009	04/14/2009	30
Construction	04/15/2009	06/30/2010	440
Punchlist/Inspections/Move-in	07/01/2010	08/31/2010	60



## **Florida Atlantic University Board of Trustees Resolution**

**Tuesday, September 18, 2007**

**A RESOLUTION: A) CONCEPTUALLY APPROVING AND AUTHORIZING THE DEVELOPMENT OF AN ON-CAMPUS STEEL-FRAME FOOTBALL STADIUM FOR THE BOCA RATON CAMPUS, WITH A MAXIMUM DESIGN AND CONSTRUCTION COST OF \$62,000,000 AND A PROJECTED CAPACITY OF UP TO 30,000 SEATS; B) AUTHORIZING THE PRESIDENT TO COMMENCE FORMAL NEGOTIATIONS WITH APPROPRIATE FINANCIAL INSTITUTIONS AND DESIGN AND CONSTRUCTION PROFESSIONALS, INCLUDING ISSUING UNIVERSITY REQUESTS FOR PROPOSALS OR QUALIFICATIONS, AS APPROPRIATE, TO SECURE THE MOST FINANCIALLY FEASIBLE DEVELOPMENT PLAN; AND C) AUTHORIZING THE PRESIDENT TO TAKE SUCH FURTHER ACTIONS AS ARE NECESSARY AND APPROPRIATE TO ACHIEVE THESE ENDS, SUBJECT TO THE BOARD OF TRUSTEES' FINAL APPROVAL OF ALL FINANCING AND CONSTRUCTION PLANS.**

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**WHEREAS**, the University Board finds it necessary and desirable to enhance the physical facilities of the FAU Boca Raton Campus, and

**WHEREAS**, the University Board has previously authorized the development of a concept known as Innovation Village, to provide necessary and desirable physical facilities on the FAU Boca Raton Campus, and

**WHEREAS**, the University Board finds it necessary and desirable to authorize the development of football stadium on the Boca Raton campus, to enhance the student experience at Florida Atlantic University by providing an exemplary facility for the growth of the University's inter-collegiate athletics programs.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The University Board of Trustees hereby conceptually approves and authorizes the development of an on-campus steel-frame football stadium for the Boca Raton campus,



with a maximum design and construction cost of \$62,000,000 and a projected capacity of up to 30,000 seats.

2. The University Board of Trustees hereby authorizes the President and his designees to commence formal negotiations with appropriate financial institutions and design and construction professionals, including issuing University Requests for Proposals or Qualifications, as appropriate, to secure the most financially feasible development plan for the defined stadium, to be submitted for final approval to this Board.

3. The University Board of Trustees hereby authorizes and directs the President and his designees to do all acts and things required of them in furtherance of this resolution, including without limitation execution of such documents, applications, or contracts in such form and content as the President or authorized officers executing the same deem necessary, desirable, or appropriate, subject to the final approval of this Board of any contracts for the financing and construction of the stadium.

This Resolution shall become effective immediately upon passage.

#### **CERTIFICATE OF THE CORPORATE SECRETARY**

The Undersigned, Corporate Secretary of the Florida Atlantic University Board of Trustees, does hereby certify that the attached resolution is a true and accurate copy as adopted by the Florida Atlantic University Board of Trustees on September 18, 2007.

THE FLORIDA ATLANTIC  
UNIVERSITY BOARD OF TRUSTEES

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Corporate Secretary